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Hong Kong Rescues Bank; Blames Fraud

Compiled by Our Staff From Dispatches

HONG KONG — The Hong Kong government on Friday took over a failed local bank that officials said had collapsed because of fraud. The government said the rescue could cost as much as 2 billion Hong Kong dollars (\$259 million).

The takeover of the Overseas Trust Bank, which has about 100,000 depositors and is the fourth-largest locally incorporated in Hong Kong, comes as the British colony's banking system caused the biggest plunge in local stock market prices in three and a half years, and there were radio reports of some runs on local banks.

Hong Kong does not insure bank deposits and a failure to support the bank would have been a severe blow to thousands of small investors and Hong Kong's prestige as a financial center, bankers said.

Sir John H. Brumbridge, the financial secretary, told the Legislative Council that the problems of Overseas Trust "appear to have arisen from criminal actions and not from lack of prudential supervision" by the banking commission.

The bank's financial troubles, he said later, appeared to be the result of a major fraud "involving many hundreds of millions of dollars." He declined to elaborate.

Banking Commissioner Robert Fell said after the Legislative Council meeting that some Overseas Trust funds had been loaned to the owner of a finance company that failed early this year.

Three officials of the bank were charged Friday with violations of

Hong Kong banking regulations, police said. Authorities identified them only as two Malaysians, a bank director and an Overseas Trust executive, and a Chinese executive of the bank.

Earlier, officials said that three persons, including a senior bank official, were detained for questioning. It was not clear if they were the three persons charged. A female OTB employee was released Friday, police said.

The government move sought to defuse Hong Kong's second major banking crisis in less than two years. When another large bank, the Hang Lung, could not meet commitments to its clearing bank in September 1983, the government acquired it to prevent bank runs. It was the first time that the government had assumed ownership of a financial institution.

Overseas Trust, founded in 1955 and owned by a Malaysian family, has 44 branches in Hong Kong and eight overseas, including branches in London, Bahrain and San Francisco. It has deposits estimated at 10 billion dollars and 1,400 employees. There were no estimates immediately available on the number of shareholders.

The government closed the bank Thursday after Overseas Trust declared itself insolvent. Sir John said the bank's books had been the subject of an intensive audit during the past two months.

The Legislative Council went into emergency session Friday and unanimously approved legislation allowing the government to take control of OTB. The takeover will that failed early this year.

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A São Paulo morgue official holds up the skull found in the Brazilian grave where Josef Mengele was allegedly buried.

German Letters Led to 'Mengele Grave'

By William Drostak
Washington Post Service

BONN — A West German prosecutor said Friday that letters found in the home of a former employee of Dr. Josef Mengele's family concern were the evidence that led the authorities to the grave in Brazil that may contain the remains of the most-wanted Nazi war criminal.

In Brazil, police authorities con-

tinued to express optimism Friday that Dr. Mengele's body had been found while Nazi hunters in the United States and Europe expressed strong doubt.

However, in New York, Simon Wiesenthal, the concentration camp survivor and Nazi hunter, said Friday that he had changed his mind since Thursday, when he expressed doubt that the body of Dr. Mengele had been located. He said that because of additional information he was now "less skeptical" of the reports from Brazil.

Mr. Klein said the police discov-

ered a cache of letters in the wardrobe of the man's wife on May 31. Two of the letters, alluding to Dr. Mengele's death, were traced to an Austrian couple living near São Paulo, Wolfgang and Liselotte Bos-

ser.

The couple said later that Dr. Mengele had drowned in a swimming accident in 1979 and was buried in the town of Embu under the name of Wolfgang Gerhard.

At least seven other letters, dated from 1972 to 1978, may have been sent by Dr. Mengele himself, according to Mr. Klein. He said the letters did not cite any names, but that police cryptologists quickly recognized that the initials and in-

formation contained in the letters referred to the Nazi war criminal.

Three West German criminal examiners were sent to São Paulo to assist Brazilian police in the exhumation and identification of the alleged remains of Dr. Mengele.

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Japan's Labor Unions: Long on Harmony, Short on Members

By Clyde Haberman
New York Times Service

TOKYO — Japan's Labor Ministry issued a little-noted report the other day saying that strikes had cost the average Japanese employee only 15 minutes and 50 seconds of work time in each of the last three years.

By comparison, the ministry observed, U.S. employees had given up three hours to labor disputes and West Germans had lost nearly two hours.

The report drew little public attention because labor tranquility and job dedication have long been accepted facts of Japanese life.

Over the years, unions have had great success in guaranteeing job security and setting company work rules. Indeed, said Takahiko Nakamura, president of the steelworkers' federation, "protecting jobs is the most important function that unions have to play."

But while Japan's smooth labor relations may be the envy of other industrial countries, labor leaders here worry that the unions are losing their vitality.

Their membership rate has declined since 1975. Until then, it had hovered near 35 percent for more than two decades, but by last year the rate had shrunk to 29.1 percent with only 12.46 million union members among the country's 42.82 million paid employees.

Increasingly, union strength is concentrated in struggling "smokestack" industries such as steel, with the result that wage patterns are set by unions least favorably positioned to make aggressive demands. Attempts to organize workers in the high-technology

and service industries that dominate Japan's economy have had little success.

On a national level, the four major federations into which most unions are banded have almost no bargaining ability and little political power. The largest of the four, the 4.5-million-member General Council of Trade Unions, is a mainstay of the Japan Socialist Party, making it a permanent opposition force in a country governed for the last 30 years by the conservative Liberal Democratic Party.

Moreover, union leaders are now discovering that they lack broad strategies to deal with rapid changes brought about by forces ranging from automation to growing restlessness among younger workers, who chafe under traditional seniority systems.

Akira Yamagishi, one of Japan's more influential union officials, said that organized labor had managed surprisingly well right after World War II to develop "union consciousness." But that consciousness is fading and labor has grown complacent, said Mr. Yamagishi, who heads a 280,000-member union representing communications workers.

"Japanese employees," he said, "are more likely these days to think less like workers and more like company managers."

Perhaps nothing better symbolizes his frustration with labor's blunted influence than the annual Japanese ritual known as *shunto*, or "spring wage offensive."

It has become so inoffensive, some union leaders complain, that it invites unwelcome analogies to highly stylized Kabuki theater.

Management clearly has the upper hand, setting

limits for pay raises, even before the *shunto* begins, through a cartel representing four key industries — steel, shipbuilding, automobiles and electrical products.

Every spring, the *shunto* is the same, and this year's was no different. Workers carried red banners, yelled ominous slogans and wore headbands to show solidarity. Some even went on strike. But nearly all the walkouts lasted only an hour or two, and they were timed carefully to cause as little disruption as possible.

In the end, most unions accepted wage increases averaging about 5 percent, which translated into extra purchasing power of less than 2 percent after adjustments were made for inflation and taxes.

That 5 percent happened to be what the cartel had decided in late winter would be a reasonable settlement. To go any higher, big business argued and labor agreed, would handicap Japan as it competes against low-salary countries like Taiwan and South Korea.

The *shunto*, whose original purpose was to involve many industries in the salary struggle at the same time, has been a fixture in Japan for 30 years. Now, some labor leaders want to see it replaced, perhaps with American-style multiyear contracts that emphasize not only wages but also neglected benefits such as pension systems.

A distinguishing trait of Japan's 74,000 unions is that all of them, except for the one representing seamen, are organized around individual companies, not crafts, as in most other countries.

Consequently, distinctions between management and labor often blur. A few years ago, the Japan

Federation of Employers Associations surveyed 313 companies and found that three-fourths of them had board members who used to be trade union officers.

And because they know their own companies well, unions wield great power on the shop floor, working to protect jobs and shore up Japan's much-vaunted system of lifetime employment.

On the other hand, unions identify with their companies so closely that often they are reluctant to take action that perhaps might benefit their members but could also reduce profits.

Moreover, these unions are conspicuous mainly in big companies. Most Japanese, however, do not work for the Mitsubishi and Mitsui but rather for small unionized shops and factories, where they endure relatively low pay and long hours and no job security at all.

Some labor leaders describe the gap between big companies and small as widening, and they worry about their inability to deal with it. "Labor has been understanding management's position for too long," Mr. Yamagishi said. "The period of harmony may be reaching a turning point."

If it ever gets there — and many labor analysts have their doubts, barring sharp setbacks to Japan's economy — one of the first groups to suffer may well be the unions themselves.

During this long period of labor calm, many have accumulated substantial strike funds that they have plowed into real estate holdings and securities. Unrest of any consequence could wipe out their investments in no time.

WORLD BRIEFS

25 Police Die in India Border Dispute

MERAPANI, India (Reuters) — A border dispute between India's strategic northeastern states of Assam and Nagaland left 25 policemen dead, 50 injured and sent 25,000 villagers fleeing here Friday.

Army patrols also were stepped up in third northeastern state, Tripura, after a separatist attack killed nine persons earlier this week.

The worst violence in the three states sandwiched between Bangladesh and Burma was over confiscated fencing material and a six-mile (10-kilometer) stretch of jungle separating the states. Mortars and machine guns were used in the four-hour battle between police forces of Assam and Nagaland at this border crossing about 185 miles east of the Assam capital, Gauhati.

Soviet Reportedly Moves Sakharov:

UNITED NATIONS, New York (NYT) — Andrei D. Sakharov, the Soviet physicist and dissident, and his wife have "been removed involuntarily from their apartment" in Gorki, the Soviet city where they are in internal exile, according to the Sakharovs' relatives in the United States.

No outsider has seen Mr. Sakharov or his wife, Yelena G. Bonner, since a group of Soviet scientists visited them in Gorki in late February, the family said. It is appealing to a United Nations human rights panel, the Working Group on Enforced and Involuntary Disappearances, that met during the past week in Buenos Aires. The family said that recent attempts to contact the Sakharovs, including five telephone calls, had been unsuccessful and that the family had concluded that the Sakharovs have disappeared from their home.

The Soviet authorities have said recently that Mr. Sakharov is still in exile in Gorki and have declined to comment on reports that he has been hospitalized.

Jury Finds Klan Defendants Liable

WINSTON-SALEM, North Carolina (AP) — A federal jury Friday found five Ku Klux Klansmen and Nazis, two police officers and a police informant liable in the death of one of five demonstrators killed at a 1979 anti-Klan rally in Greensboro, North Carolina.

But the jury, deciding a \$45-million civil suit brought by relatives of the victims, ruled that the defendants did not engage in a conspiracy against the five Communist Workers Party members killed at the rally. The six-member jury was instructed to begin deliberating on damage awards in the wrongful death count and on counts of assault and battery of three victims.

The trial, the third stemming from the violence at the rally, lasted 13 weeks. Defendants in the earlier trials were acquitted. In the current trial, the jury cleared all defendants — 20 Klansmen and Nazis, four federal agents, 20 Greensboro police and other officials and the city of Greensboro — of conspiring to violate the victims' civil rights.

Swiss Vote Sunday on Abortion Ban

GENEVA (Reuters) — After a bitter campaign, the Swiss will decide Sunday whether to write a strict anti-abortion article into their national constitution.

The restriction, favored by Roman Catholic and fundamentalist Protestant groups, would ban all abortions except when a woman's life was clearly at risk.

In the referendum, citizens will vote whether to compel the nation's lawmakers to ban any contraceptive that destroys the embryo, from the moment of conception. There is a law on abortion but each of the nation's 26 cantons has been left to interpret and enforce it as it sees fit.

Italians Voting Sunday on Wage Cap

ROME (Reuters) — Italians are to vote Sunday and Monday in a Communist-sponsored referendum aimed at reversing a wage cap imposed last year as part of the government's anti-inflation program.

Prime Minister Bettino Craxi, a Socialist, has said that his five-party coalition would resign if the referendum succeeded.

Mr. Craxi said this week that a vote to restore the wage rise would cause "a social conflict of vast proportions" and seriously damage the economy.

For the Record

Hungarians will elect a new parliament and local councils on Saturday in voting that will give them a choice of at least two candidates per district.

The British foreign secretary, Sir Geoffrey Howe, arrived Friday in Gibraltar for two days of talks on the future of the colony. (Reuters)

Prosecutors in the Hitler diaries trial in Hamburg demanded six and seven-year prison terms on Friday for the two men facing fraud charges for selling the forgeries to the West German magazine Stern. (Reuters)

President Ne Win of Burma left Rangoon on Friday for a medical examination abroad. Radio Burma announced. The leader usually flies to London for checkups.

Former Prime Minister Kakuei Tanaka of Japan has closed his office in Tokyo three months after suffering a stroke, his lawyer said. (AP)

Mengele Letters Are Found

(Continued from Page 1)

months before his purported drowning, the Bossers said.

"We now have to establish the credibility of the witnesses, await the results of the forensic examination to be conducted in São Paulo and investigate the documents provided by the witnesses," Mr. Klein said.

Nazi hunters such as Mr. Wiesenthal and Beate Klarsfeld have expressed skepticism about the report, which they suggest could have been fabricated by friends eager to protect Dr. Mengele and terminate the manhunt.

Mr. Wiesenthal said that Dr. Mengele has been sighted in Paris as recently as last July by three unrelated people. Other witnesses claim to have spotted Dr. Mengele in Chile ... in Brazil in 1983.

Both Dr. Wiesenthal and Mrs. Klarsfeld contend that Dr. Mengele still enjoys sanctuary in Paraguay provided by President Alfredo Stroessner, the son of a Bévarian émigré. He has ruled Paraguay for 31 years.

On Friday, General Stroessner canceled a trip to West Germany that was scheduled for July, evoking relief among West German officials worried about the political repercussions of the visit.

Hong Kong Rescues Bank

(Continued from Page 1)

Members of Dr. Mengele's family are immediately notified when the letters tracked to São Paulo. He said the prosecution had lodged charges against the former employee of the Mengele firm who held the letter and his wife for obstruction of justice.

Members of Dr. Mengele's family in Gdansk refused to cooperate with the prosecutor's office in assessing the authenticity of the latest findings, he said.

Brazilian police reported Thursday that the Bossers, who have lived in Brazil for more than three decades, said that Dr. Mengele had been introduced to them as "Pdro" by the real Wolfgang Gerhard.

The police found documents in their home that allegedly belonged to Dr. Mengele.

The federal police chief in São Paulo said that the authorities also had found photographs and a diary that they believe were Dr. Mengele's in the Bossers' home. The Associated Press reported.]

"There are extremely strong indications that we have the man we're looking for here," said the police chief, Romeo Tuma.

Hong Kong's currency is pegged to the U.S. currency at the rate of 7.80 Hong Kong dollars to the U.S. dollar. It is allowed to fluctuate only slightly from that amount.

The Hong Kong dollar closed Friday in Hong Kong at \$7.774, unchanged from Thursday.

Attorney General Michael D. Thomas said there was little possibility that bank shareholders would recover their money, although they are entitled to compensation.

In response to concerns about the stability of the colony's banking system, the Hang Seng stock index tumbled 86.95 points Monday to close at 1542.55, with share prices falling across the board.

(Reuters, UPI, AP)



Rajiv Gandhi, center, and Prime Minister Laurent Fabius after their meeting in Paris.

Gandhi Assails U.S., Britain Over UNESCO

The Associated Press

"UNESCO has a problem," said the Indian leader, who was on the second day of a state visit to France. "We know that all international organizations are under pressure today because strong nations have tried to bend them to their purposes."

"All who care for a safer and more equitable world order must come to the help of UNESCO in its hour of trial," Mr. Gandhi said.

Earlier, Mr. Gandhi said that he would ask President Ronald Reagan to put pressure on Pakistan not to build a nuclear arsenal. He said he had put the same concern to President François Mitterrand at their first meeting Thursday night.

Mr. Gandhi said, however, it was "perhaps already too late" for France to persuade Pakistan to abandon the idea of developing nuclear weapons.

Mr. Gandhi also met with French business executives. The French are trying to win contracts for aircraft, helicopters and a power station. India would like to cut its trade deficit with France, which hit 1.39 billion francs (\$149 million) in 1984.

"The Russians will not stop unless we stop them," he said. "The United States has to assume its own responsibility toward those who love freedom."

Reporters who came to Jambu to cover the founding of the guerrilla alliance, called the Democratic International, were given a military briefing in an underground bunker that is Mr. Savimbi's operational headquarters.

The rebels are trying to recognize the Lunda government. That step, along with financial assistance to Angola, is believed to be part of a U.S. package of proposals aimed at reducing or eliminating the Cuban presence in Angola.

Mr. Savimbi's remarks followed his signing of an agreement with Cuban insurgents from Afghanistan, Laos and Nicaragua to cooperate in an alliance sponsored by conservative Americans.

The group would mirror the kind of alliances that Moscow has fostered in the past among pro-Soviet guerrilla organizations.

The rebel leader said inhabitants of Jambu, who number roughly 13,000, rejoiced when Mr. Reagan was re-elected last year.

But in a speech at a military parade, he said the State Department had ignored the president by negotiating with Luanda.

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Although the Soviet Union has no ties with Israel, the Soviet ambassador in Washington, Anatoli F. Dobrynin, met with the Israeli ambassador to the United States, Meir Rosenzweig, on May 22.

But the EC has failed to agree to a cut of 3 percent in grain prices by October 1, 1985, as a first step toward aligning high community prices with world market levels.

Progress on such cuts was likely to be very slow and prospects were negligible for scrapping the farm subsidies as advocated by the United States, they added.

(Reuters, UPI)

Soviet Tells Jordan It Wants Talks

(Continued from Page 1)

iations on emigration, stop anti-Semitic propaganda, and end arms sales to Iran before an international peace conference on the Middle East could be organized.

Mr. Masri said he was told by Foreign Minister Andrei A. Gromyko of the Soviet Union that Moscow also opposed the participation of all five permanent members of the Security Council because it felt that Soviet influence was being diluted.

The Russians "want to be just with the United States," Mr. Masri added.

Mr. Gromyko's reported comments on emigration, stop anti-Semitic propaganda, and end arms sales to Iran before an international peace conference on the Middle East could be organized.

In reply, the community's agriculture commissioner, Frans Annes, said that the U.S. farm market was one of the world's most protected. The community was trying to make its policy more market-oriented and was seeking only to maintain its share of the world market, he added.

The Americans are pursuing an expansionist policy which is detrimental to the European share of the world market and will almost inevitably place us on a collision course," he said.

A senior EC official in Maasricht said: "We know the mood in Washington is ugly but community members are unlikely to lie down and take their punishment."

The U.S. farm bill could effectively cut world grain prices by one-third and cost the community billions of dollars in extra export subsidies, officials said.

The community spends more than 70 percent of its budget of 30 billion European currency units (\$22.5 billion) on farm subsidies, and the commission's president, Jacques Delors, has said it should be cut to about 64 percent.

But the EC has failed to agree to a cut of 3 percent in grain prices by October 1, 1985, as a first step toward aligning high community prices with world market levels.

AMERICAN TOPICS

New Tree Resistant To Dutch Elm Disease

After 13 years of sleuthing and cross-breeding, George Ware, a botanist with the Morton Arboretum west of Chicago, has developed an elm 10 feet (3 meters) shorter than the noble, 80-foot American elm, but resistant to Dutch elm disease, The New York Times reports.

In recent decades the fungus has all but wiped out the millions of broad, tall elms that were the shade-giving symbol of Main Street, U.S.A. Substitute trees proved less beautiful and less able to withstand the ravages of nature and the fumes of civilization.

Efforts to develop elms usually have been based on Asian elm species. The Dutch elm fungus originated in Asia, and elm trees there developed a resistance to it. Disease-resistant trees also have been sought among surviving American elms, and researchers have tried to develop fungicides.

Mr. Ware, 60, crossed a Chinese, or Wilson, elm and a Japanese elm. Cross-breeding the tallest, strongest and fastest-growing offspring with the greenest, leafiest and most drought-resistant, he developed several similar but different disease-resistant species. "We don't want to put all our eggs in one basket," he said.

Today Mr. Ware's new tree has thousands of descendants in his nursery and in a few suburbs. Production by other nurseries is soon to be licensed.

Hart Loses Heart For California Run

Although Gary K. Hart, a Democratic member of the California state senate, benefited from the coincidence of having the same first and last name as Gary W. Hart, the U.S. senator from Colorado who contended for the Democratic presidential nomination last year, the California Hart has dropped an exploratory effort for the 1986 governor's race.

Mr. Hart, 41, said that, given the expectation that Mayor Tom Bradley of Los Angeles would seek the Democratic nomination, and that the popular Republican governor, George Deukmejian, will run for re-election, the competition was so hot as to leave his potential backers lukewarm. Moreover, he said, some people "are confused about the two Gary Harts. I'm not sure that helps."

Weinberger Orders Cut In Access to Secret Data

By Richard Halloran
New York Times Service

WASHINGTON — Secretary of Defense Caspar W. Weinberger has said that the Pentagon will reduce the number of people who have access to secret information in an effort to foil spy rings like one that John A. Walker, a retired navy warrant officer, is accused of having run for 18 years.

Mr. Weinberger said in an interview Thursday that he had ordered a thorough review of Defense Department security procedures.

"The numbers of people who have clearances is too large and we are going to cut that down," he said.

Meanwhile, a high official said that "at least another four or five arrests" were expected in the Walker case. Four persons are already being held.

The navy's chief submarine officer, Vice Admiral Nils R. Thunman, suggested that whatever information had been passed to the Soviet Union had not threatened the U.S. fleet of missile-firing submarines.

In an interview, Admiral Thunman said: "We see an threat to the fleet ballistic missile force, today or in the foreseeable future."

The admiral declined to discuss the Walker case, but he declared that he would stand by his statement under any circumstances.

"Other naval officers said they had seen no intelligence reports on Soviet anti-submarine warfare indicating that a spy ring had given damaging information to the Russians. They said that Soviet anti-submarine operations had not been effective against U.S. submarines."

Responding to questions, Michael L. Burch, the Pentagon's chief spokesman, said that the navy did not have any plan to change its undersea network of devices for detecting Soviet submarines.

Some submarine experts interviewed for a New York Times article that appeared Friday in the International Herald Tribune suggested that the Sound Surveillance System, called Sossus, might have to be replaced or rebuilt. "There is no consideration being given to that," the spokesman said.

Mr. Weinberger said that the arrested navy man was not cooperating with Justice Department investigators. "We have to find out precisely how he operated and what he did, if we can," Mr. Weinberger said. "He's not cooperating."

"We're certainly going to review the whole thing, all of those procedures and operations, and see if there's any way we could have gotten onto it if any sooner," Mr. Weinberger said. "At this point, nobody seems to think so. And we only did in this case only because the former wife got angry."



TOO FEW COOKS — Peter Daleda, right, a chef at New York City's Waldorf-Astoria Hotel, uses a walkie-talkie after the hotel's telephones were sabotaged during the current strike of hotel workers. Pouring soup is Ed Bacon, a Hilton Hotel employee from South Carolina, who was called in to help. About 16,000 hotel workers from 53 hotels have walked out in the seven-day dispute.

In California, Name Game Goes On

Voters north of San Diego will soon decide whether to form a new city, and if so, whether to call it San Diegoito, San Eljo or Encinitas, finalists in a popularity contest whose entries also included Margaritaville, Some Town, Baja Los Angeles, Duckberg and Pavement.

The Los Angeles Times took the occasion to note that elsewhere in California, Thousand Oaks had 3,422 oaks at last count, but Twentynine Palms had only 26 palms. The seals haven't frolicked at Seal Beach in years. Proper Spanish for Mission Viejo should be Misión Vieja. Coalinga sounds Spanish but is simply a contraction of Coalting Station A.

Short Takes

The U.S. Treasury Department is asking Congress for permission to use a process that would save \$3 million a year in printing dollar bills, according to the weekly magazine U.S. News & World Report. The new method may be easier to counterfeit, officials note, but years of inflation have made it unprofitable to make fake \$1 bills anyway.

After years of steady deterioration in road quality, repairs of major U.S. roadways are now at least keeping pace with decline, according to the U.S. Transportation Department. The cost of maintaining the interstate highway system and major state arterials at present levels is \$18 billion a year.

—Compiled by ARTHUR HIGBEE



Caspar W. Weinberger

Admiral Thunman said in the interview that the submarines armed with ballistic missiles "are virtually invulnerable."

Overhaul Proposed

By Bill Keller of The New York Times reported from Washington:

Two senators proposed on Thursday a sweeping overhaul of government security procedures to limit access to secrets and to speed background investigations of people in sensitive duties.

William V. Roth Jr., Republican of Delaware, and Sam Nunn, Democrat of Georgia, urged President Ronald Reagan to issue an executive order cutting in half the number of security clearances over the next two years so investigators could begin catching up with a backlog.

The senators also urged that government agencies sharply curtail the volume of material classified as secret.

John Ringling North Dies; Circus Family Impresario

By New York Times Service

NEW YORK — John Ringling North, 81, who headed the Ringling Brothers and Barnum & Bailey Circus for 30 years until its sale by the Ringling family in 1967, died Tuesday of a stroke in his hotel suite in Brussels.

The circus was started by the original seven Ringling brothers as a wagon show dubbed Carnival of Fun. It opened in Bamboo, Wisconsin, on May 19, 1884. Operated by five of the Ringlings, it caught on and prospered, absorbing lesser rivals along the way.

Mr. North was the son of Henry and Ida Ringling North, his mother being the only daughter in the Ringling family.

By 1918, the Ringlings were ready to buy the name and enterprise left behind by the legendary P.T. Barnum. The company was well on its way toward becoming

the three-ring extravaganza known as "The Greatest Show on Earth."

John Ringling was the last of the founding brothers. After his death in December 1936, Mr. North became president and director of Ringling Brothers and Barnum & Bailey Combined Shows Inc. In the years that followed, he also was listed as principal shareholder and, from 1955 to 1967, chairman of the board.

Mr. North saw the glittering family business through some good times and others made rocky by labor disputes, management problems, family disagreements and years of financial losses. In fact, it was meager deficits that caused him to give up on the traditional big top: the circus had simply grown too big for it.

In July 1956, the tents were pulled up for the last time in Pittsburgh. He moved the circus indoors.

2 Schools Challenge Pentagon on Roles in SDI

By Michael Weisskopf
Washington Post Service

WASHINGTON — Two prestigious universities have accused the Defense Department of misrepresenting their roles in research projects on the strategic defense initiative in an effort to help sell the program to Congress.

The Pentagon's Strategic Defense Initiative Organization had said in press releases that it had formed four "consortiums" of universities to research technical aspects of President Ronald Reagan's proposed space-based missile defense system.

But two of the universities, the Massachusetts Institute of Technology and the California Institute of Technology, said the Defense Department had only lined up individual researchers at their schools and not the institutes themselves.

In a May 3 letter to Lieutenant General James A. Abrahamson, who heads the Strategic Defense Initiative Organization, Caltech's president, Marvin Goldberger, complained of "gross misrepresentation" and accused officials of making "manifestly false" statements implying university commitment to the program.

Paul Gray, president of MIT, in a commencement speech on Monday, said the Pentagon is engaged in a "manipulative effort to garner implicit institutional endorsement for SDI" to strengthen the bid for congressional funds.

"What I find particularly troublesome about SDI funding is the effort to short-circuit the debate and use MIT and other universities as political instruments," Mr. Gray said.

A spokesman for the Strategic Defense Initiative Organization denied any intention to misrepresent the role of the universities.

The dispute occurred as the administration struggled with Congress over the funding of SDI research.

What angered Mr. Goldberger was an April 24 news release from the Pentagon's SDI office naming a consortium of universities, including Caltech, to study "new and innovative techniques for high-speed computing using optical signal processing."

Dennis Meredith, Caltech's spokesman, said an assistant professor of electrical engineering who specializes in optical computing had received a \$350,000 grant to work on the research project for six months.

But he had received the grant from the University of Dayton Research Institute, a subcontractor for the SDI office. Mr. Meredith said the Caltech faculty committee that approved the research proposal "wasn't aware" of an SDI connection, he said.

"This is not going to be like fighting on the plains of Europe in the Second World War," Mr. Ortega said in an interview Thursday.

"An American invading force will have to face resistance based on very special kinds of struggle."

But he said that the United States had no reason to send troops to oppose the Nicaraguan government.

The United States can coexist perfectly well with a revolution like ours," said Mr. Ortega, whose brother, Daniel Ortega Saavedra, is president of Nicaragua. "We could even resolve our conflicts in a way that would allow us to help resolve

Reagan Lists Obstacles to Hanoi Ties

By Gerald M. Boyd
New York Times Service

BIRMINGHAM, Alabama — President Ronald Reagan has said that Washington would not normalize relations with Hanoi until the Vietnamese accounted for all missing American servicemen and ended the occupation of Cambodia for 18 years.

He also said that his administration remained committed to finding a peaceful solution to U.S. differences with Nicaragua.

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Hughes Institute Ponders \$5-Billion Windfall

Major Philanthropic Organizations

Organizations	Assets, in millions of dollars
Hughes Medical Institute	\$5,000*
Ford Foundation	3,800
J. Paul Getty Trust	2,884
MacArthur Foundation	1,920
W. K. Kellogg Foundation	1,292
The Robert Wood Johnson Foundation	1,174
Pen Memorial Trust	1,171
Rockefeller Foundation	1,102
The Andrew W. Mellon Foundation	997
Lilly Endowment Inc.	898
Krebs Foundation	814

*Estimate. Source: The Foundation Center, N.Y.T.

He spent 29 years at the health institutes, including seven years as director. They are the nation's largest sponsor of medical research.

Mr. Fredrickson emphasized, however, that the Hughes institute wants to complement, rather than duplicate, the efforts of the national institutes and other sponsors of health research. In addition, the institute could not approach the federal agencies' spending power, which is to reach \$3.2 billion in the 1986 fiscal year.

Since its creation in 1953 as the sole stockholder of Hughes Tool Co., then the parent of Hughes Aircraft, the institute has pumped millions of dollars into medical research, achieving public notice only through occasional clashes with the Internal Revenue Service or through legal fights for its control.

The institute's trustees are considering whether to reorganize it as a foundation, which would give it the flexibility to make grants and gifts, Donald S. Fredrickson, president of the institute, said Wednesday.

"We will develop plans for the use of this money, and we will keep you informed," Mr. Fredrickson said at a press conference. "We will more than double our current outlay. We will be spending upward of \$200 million before too long."

The institute could become the private sector's counterpart to the U.S. government's National Institutes of Health, Mr. Fredrickson said in an earlier interview.

Research. The institute's trustees are considering whether to reorganize it as a foundation, which would give it the flexibility to make grants and gifts, Donald S. Fredrickson, president of the institute, said Wednesday.

It is not a foundation but rather a private, nonprofit corporation managed by a nine-member board of trustees. It has executive offices in Bethesda, Maryland, and administrative offices in Connecticut, Florida, and is incorporated in Delaware.

The institute can invest its assets to produce hundreds of millions of dollars in annual income and restricted by its charter only to activities that support basic research.

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aircraft, a military contractor with 1984 sales of \$4.9 billion.

For years the Internal Revenue Service has questioned the setup because of the relatively small amounts of the company's profits that were channeled into medical research.

Last year, the aircraft company reportedly contributed \$80 million of its profits to the institute, up from \$51 million the year before. Until 1976, the year of Hughes' death, the institute's dividends from the aircraft company had peaked at only \$4.2 million.

ARTS / LEISURE

Uneven Prices Paid for Glassware at Drouot Betray Reach of Speculators in Market*International Herald Tribune*

PARIS — Speculation is playing an increasing role on the market. It is now affecting areas that until recently seemed beyond the reach of commercial gamblers because of the degree of specialist knowledge required. This was demonstrated in the sale of Ancient and Islamic Glass organized by Guy Loudmet at Drouot on Monday and Tuesday.

Although the title page of the thick glossy art paper catalog cryptically refers to the glass as



Flask sold for 850,000 francs.

being "formerly the collection of Monsieur D." every dealer knew this stood for Jean Hubert Demeulenaere, a Paris director of the Lebanese bank Audi.

The wording of the title, implying that the collection had been sold by Demeulenaere and was being auctioned on behalf of another party, is puzzling. The new vendor cannot have greatly cherished his possessions: according to trade sources, Demeulenaere was still buying by the end of 1984. Could the intriguing subtitle have been inspired by the desire to emulate Christie's impressive sale of Ancient Glass early in March, of which the beautiful catalog carried the mention "Formerly the Kofler-Truniger Collection"?

If so, the parallel was not entirely favorable to the Paris collection. Ernest Kofler-Truniger of Lucerne, now in his 80s, spent a lifetime buying objects in such diverse fields as Western medieval art, miniatures from Iran and pottery and

The two finest pieces of Islamic pottery from Syria now in the Sheikh Nasser collection in Kuwait were once his. The splendid collection of French champlevé enamels from Limoges, displayed in London and in several major U.S. museums, was acquired by another man with a remarkable eye: Edmund de Unger of London.

Concerning glass, Kofler-Truniger's collection was large and splendid enough to form the bulk of the sensational exhibition "3,000 Years of Glass from Ancient Times to the Jugendstil" held at the Lucerne Kunstmuseum in 1981.

The Demeulenaere collection, on the other hand, had very few stars and a large number of run-of-the-mill pieces. This is perhaps inevitable given the short period during which it was formed, several dealers said, about six years for the bulk of it.

The collector bought in batches, apparently with the intention of reselling quickly at a profit, as he had done previously with a large coin collection.

If the aggregate estimate quoted prior to the sale — 10 million to 15 million francs — can be taken as an indication, the sale was wide of the mark. Many objects sold below the estimates printed on the separate list sent out with the catalog and the total reached only 8.06 million francs (about \$865,000).

True, a handful of great pieces sold at huge markups. The top lot illustrated in color on the catalog dust jacket is one of the most beautiful pieces of ancient glass I know. The small flask, 8 centimeters (3 inches) high, is decorated with

alternate bands of turquoise green, gold and deep blue coming down from the neck.

It was at one point in the hands of the great New York collector Harvey Rothenberger, who sold it to the Safani Gallery of New York, from whom it passed to an Arizona collector, Michael Mulberger. It was then acquired by Christopher Sheppard of London, went through the hands of the international dealer Gavaine McKinley, and landed in the collection of Demeulenaere, who reportedly got it for \$35,000. On Monday, it was knocked down at 850,000 francs, excluding commission, to the Haji Baba gallery of London, outbidding McKinley.

Historically more important were two pieces of glass from Gaul. One, a greenish phiale, or shallow bowl, carries an inscription naming the workshop from which it originated, an extraordinary occurrence in Celtic glass. It went to 410,000 francs. The other is a beaker of a shape known from gray earthenware, but rare in glass. This was knocked down at 250,000 francs. They are irreplaceable documents of early European history. One can indeed understand why the French national museums agency preempted the two pieces, as French law allows it to do at auction, in order to preserve them for the national heritage.

The agency failed to do so on another important piece, a big ewer with twisted fluting, rare but ill-proportioned, which soared to a fantastic 800,000 francs. One suspects that here the price deterred the French museums.

From Egypt, the main prize was a bas-relief head of the goddess Hathor in so-called Egyptian brown jug.

Otherwise a number of fine pieces were inexpensive. A large, beautifully shaped phiale from Syria with whirling ribs on the underside, made 55,000 francs, a modest figure even if one takes into account the visible cracks. Another Syrian piece that followed, a ribbed bowl, also a translucent amber color, was hardly exaggerated at 18,000 francs.

A rare and beautiful Iranian cup of the 3d century A.D. was a giveaway at 12,000 francs.

When it came to Islamic pieces there were some incomprehensible contrasts. A tall kohl flask from 8th- or 9th-century Syria, admirable

shape, big for that type and perfectly preserved, made a negligible 2,000 francs. An Iranian 10th-century bottle of cut glass, with hexagonal facets on the body and chamfered tapering neck, rose to an incredible 400,000 francs, despite the clumsy, unevenly cut neck. Later a truly beautiful bottle of the same period and provenance — the catalog attribution to Egypt is mystifying — was knocked down at 9,500 francs to the Mabhoujian Gallery in London.

Taken all round, this is one of the most erratic auctions I have attended. Some objects were going through the roof — with good reason. Some pieces were defended by dealers who had sold them, while others were allowed to go for a song.

Making prices swing up and down for no perceptible reason is always unwise. Giving the public a feeling that a game is being played in which they do not know the rules is a lot worse.

Fake Old Masters Are Seized in Padua

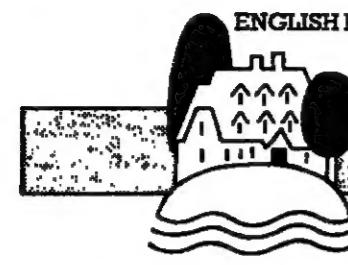
The Associated Press

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ARTS / LEISURE

Degas Prints in London: Illuminations in Black and White

By Max Wykes-Joyce

International Herald Tribune

LONDON — Most of the major French painters of the late 19th and the early 20th centuries turned their hands to printmaking, but in the oeuvre of Edgar Degas, the media of paint and print were interwoven to an extraordinary degree.

The Museum of Fine Arts of Boston, with grants from the National Endowment for the Arts, or-

ganized a 64-image exhibition illustrative of that inter-relationship — "Edgar Degas: The Painter as Printmaker," which later traveled to the Philadelphia Museum of Art. The Arts Council of Great Britain has now brought it to the Hayward Gallery in London, and augmented the show with an additional gallery of 26 Degas monotypes; and supplemented the masterly American catalog with a small well-illustrated catalog of monotypes, with a foreword by the American-born, Lon-

don-based painter R. B. Kitaj and an essay by Anthony Griffiths.

Like Rembrandt, Degas seems to have had the capacity to suggest in monochrome, usually black, on one-colored paper, every nuance of light and shade and color, (even a quarter of his most colorful pastels have a monotype base). No wonder then, that he is on record in old age, as Kitaj reminds us, "If I could have my life again, I should do nothing but black and white."

*"Edgar Degas: The Painter as**Printmaker," Hayward Gallery, South Bank, London SE1 to July 7.*

□

The colorful and symbolic aspects of late 19th-century and fin-de-siècle European art is to be seen at Whitford and Hughes' major annual exhibition, this year on the theme "Moments et Folies de la Femme Fatale." These extraordinary tempresses range from an evocation of Flaubert's "Salammbô" by Adrien Henri Tanoux (1863-1923) and the lush nude of "Le Reveil" by Alphonse Eugène Félix Lecomte (1842-1875) to the Lo-

ira-like adolescent of "Noonday Rest" by the neoclassical John William Godward (1861-1922); the ice-nymph "Heart of Snow" by Edward Robert Hughes (1851-1914), a nephew of the Pre-Raphaelite painter Arthur Hughes; the winsome children "In an Orchard" by the Scottish artist Edward Atkinson Hornel (1865-1933); a fey image of the Parisian ladies of the night, "Les Joueuses" — they are playing at the card tables of a casino — by the Austrian Raphael Kirchner (1876-1917) who did his most glamorous work for the magazine *Le Vie Parisienne*; and Helene's enchanting "Portrait of Miss Stuart Taylor on Board the Yacht Etoile." Miss Taylor was evidently a most successful femme fatale, for soon after this portrait was painted she married the Prince Chito de

Bilbao. □

More mundane uses were to be made of the silver and inlaid gilt-bronze objects — *daiyan* — belt buckles and a belt hook, decorated with stylized animals in high relief; bronze crossbow fittings with "birds" head terminals, inlaid with gold and silver; and a gilt-bronze belt hook in the form of a stylized dragon. Other gilt-bronzes include two figures of the Bodhisattva Guanyin, and a Tang (8th century A.D.) "Recumbent Bull."

Other beasts, natural and mythical, appear among the jades. From

nature are a buffalo of the Sung dynasty (960-1279) and a sheep of the same period. Among the mythical beasts are a pendent in the form of a stylized dragon; and a crouching shrimps, an exceptional work.

"Twenty Five Years," ESENNAZI

Oriental Art, Foxglove House, 166

Piccadilly, London W1 to July 12.

□

Later Chinese works of art are on

display at Michael Goedhuis (Col-

lectors in Market

night Oriental) in the form of two fine textiles — a 17th-century silk tapestry chair panel with an ornate stylized dragon and three symbolic herons, and a rich panel of Imperial silk of the reign of Ch'ien Lung (1736-1795). China is also represented by a pair of Ming dynasty (1368-1644) ivory plaques, carved in high relief with near-aquatic dragons.

The arts of Japan feature in a pair of sixfold screens, one of which portrays a flight of herons over a stylized windblown river by Unkoku Tijo (1639-1722); a lacquered coffer with bamboo and plum decoration; and a particularly fine *negoro* (monochrome red) lacquer temple bowl, color and material much favored in the Momoyama period (1567-1614). Other pieces represented in this pleasing small show are India, with some choice miniature paintings; and Ceylon and the Dutch East Indies, with 19th-century furniture.

"Oriental Works of Art," Michael Goedhuis Ltd., (Colnaghi Oriental), 14 Old Bond Street, London W1.

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One of Robert Delaunay's paintings of the Eiffel Tower.

Delaunay Show in Paris: An Artistic Partnership

By Michael Gibson

International Herald Tribune

PARIS — Robert Delaunay was born in Paris in 1885 and was brought up by his mother, Countess de Rose, because his parents divorced when he was still very young. Sonia Stern, also born in 1885, but in the Ukraine, lost her parents and was adopted by her uncle Henri Terk, a St. Petersburg lawyer.

Sonia began traveling in Europe at the age of 17, studying art in Germany and then in France. In 1910 she met and married Delaunay, and their home in Paris became one of the city's artistic and intellectual centers.

Delaunay was a tall and vigorous man, an enthusiast inclined to be bohemian, and he seems to have found the support he needed in the steady, energetic personality of Sonia.

Both were strongly concerned by the manifestations of modernity in art. To Robert Delaunay, this meant incorporating into his paintings such indicators of modernity as the Eiffel Tower, football teams and the aeroplane.

This passion for the Eiffel Tower was widespread in the artistic society the Delaunays moved in. The tower appears prominently in the poetry of Guillaume Apollinaire, and when Robert Delaunay was asked to paint the portrait of the poet Philippe Soupart (co-founder, with André Breton, of the Surrealist movement and co-author of "Les Champs Magnétiques") an epoch-making experiment in automatic writing, he quite naturally placed him beside a window through which one could see the tower, treated in a strikingly personal Cubistic idiom.

The Eiffel Tower paintings are probably Robert's most memorable and satisfying achievement.

In the 1930s, the Delaunays developed a common idiom, based on

an innovative use of pure color and of intentionally repetitive geometric forms, which seem to reflect Sonia's familiarity with the Russian avant-garde. Robert Delaunay died in 1941 — he was 56 — and Sonia devoted the 10 years following his death to consolidating his reputation, which was then not all that it has since become. Only then, at the age of 65, did she return to her own work. She was active in many areas, including interior design, costumes, clothes and materials, and died in 1979 at the age of 94. The show at the Musée d'Art Moderne de la Ville de Paris includes 150 items in which both Delaunay are equally represented.

Robert and Sonia Delaunay. Musée d'Art Moderne de la Ville de Paris, 11 Avenue du Président Wilson, Paris 16, to Sept. 8.

Catalonia and its capital, Barcelona, exercised an extraordinary influence on the evolution of art in the 20th century, as "Noces Catalanes," an exhibit at Artcurial, shows. Picasso, Dali and Miró hail from there, as do an impressive roster of important artists less known to the general public: Pablo Gargallo, Julio González, Joaquim Torres-Garcia and, more recently, Modest Cuixart, Antoni Tàpies and Josep Guinovart.

The ascendancy of Barcelona in the Spanish art world begins in the 19th century, when the city became one of the centers of industry. Art, literature and the theater flourished, and at the turn of the century the city was marked by the work of the architect Antonio Gaudi. More recently, a high craftsman like José Llorens Antunes collaborated with such colleagues as Miró, while pursuing his own elegant and low-key production.

"Noces Catalanes," Barcelone-Paris 1970-1976, Artcurial, 9 Avenue Matignon, Paris 8 to July 30.

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New Display at Williamsburg

United Press International

WILLIAMSBURG, Virginia — The opening of an underground museum and study center on the site of the United States' first insane asylum will make Williamsburg a center for scholarship in the decorative arts.

The new DeWitt Wallace Decorative Arts Gallery, which opens June 10, completes the educational aspect of Colonial Williamsburg, a living museum begun by the late John D. Rockefeller Jr. 60 years ago.

It displays for the first time one of the best collections of its kind in United States, including furniture, textiles, ceramics, silver, pewter, prints, paintings, weapons,

musical instruments, and scientific and mechanical objects.

The siting of the museum presented some problems since accessibility dictated that it be within the 173-acre (70-hectare) historic district, where new structures must be built on old foundations.

Kevin Roche, a Connecticut-based architect, designed a "non-building" of 10 galleries built underground, entered through the reconstructed Public Hospital, originally built in 1773.

Ten years and \$17 million later, the Public Hospital has been rebuilt to house displays of how mental patients were treated and act as a gateway to the museum.

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No Policy for Nicaragua

President Reagan's yearlong haggling with Congress over how to aid the rebels attacking Nicaragua continues. The Senate has voted for a "humanitarian" subsidy; the balkier House votes again Tuesday. And how, asks the president, pounding the table for emphasis, can all these politicians ever agree on the tricky details of foreign policy? Good question.

But what policy? Henry Kissinger, whose commission tried to guide the administration, is baffled: "It is absolutely unclear to me how a vital interest can be served by a \$14-million project. If that were all there is to it, you could go to a foundation and get the money."

That \$14 million was the aid the administration deemed essential to preserving a 15,000-man army operating in and against Nicaragua. If Congress refuses the money, warned Secretary of State George Shultz, it may hasten the day when it has to consider direct military action. What drama for Band-Aids.

What needs to be asked, calmly, is whether the administration has feasible means to a plausible end. Its objectives have so far been defined only by a vague and negative slogan: No more Cubas, no more Vietnams. Presumably, that means an acquiescence in the creation of a second Soviet dependency and base for subversion in the Americas, but also no frontal attack by U.S. troops that would degenerate into a long guerrilla war. Hence the attractiveness of attacking Nicaragua with a CIA-run army of Nicaraguan dissidents.

Yet that army is politically compromised by many of its members' past associations, and it lacks the power to unseat the Sandinists. The "contra" warriors have probably inflicted costly damage, but their attacks have also been used to justify denials of freedom that the United States deplores. The clear desire of

Congress has been to disband this army, or at least retire it, to give diplomacy a chance.

The trouble is that the choice of tactics presupposes a set of clear objectives. But, as Mr. Kissinger complained in an interview in the Los Angeles Times, the administration has failed both in its military and its diplomatic exertions to specify what it aims to achieve. Is it guarantees against Soviet and Cuban bases, and the withdrawal of Cuban advisers from Nicaragua? Or is it a more profound transformation of the regime? If that is enough for the Sandinists to permit some democracy and opposition, or are they to be overthrown?

From a well-wishing insider, Mr. Kissinger's puzzlement is devastating: "I think there is no precise relationship between the rhetoric we put forward and the steps we are taking ... I do not fully understand which of the many possible objectives ... the rhetoric is supposed to accomplish. Secondly, it is not clear how the measures that have been put forward will achieve even the minimum objectives."

Another former national security adviser, McGeorge Bundy, has told the House of Representatives that CIA support for the "contras" might have been useful in preventing the export of revolution or in pressuring the Sandinists for an accommodation. But he now believes that the operation will only shed blood on all sides and "simply will not work."

Congress, indeed, should not second-guess a president as he administers an agreed and delicate policy. But there is nothing irresponsible about withholding support for an impulse to violence without purpose. Let the Reagan administration state its aims and their likely cost. Then let Congress choose among them and get out of the way.

—THE NEW YORK TIMES.

General Motors Adapts

As an example of industrial renewal, General Motors is now the most interesting company in the United States. Its acquisition of Hughes Aircraft, which makes missiles and advanced electronic equipment, is one of a series of ventures by which GM is not only broadening its business but — much more difficult — changing its internal structure and character.

Buying Hughes is not merely a matter of obtaining technology. A company as rich as GM can buy whatever it needs in the way of patients, blueprints and people who know how to use them. GM is trying to go much further and turn itself into an organization that, despite its size, can absorb new technology fast and put it to work effectively. The people running GM see in Hughes not only a high degree of engineering ability and some profitable defense contracts, but also a style of management that has been successful at encouraging innovation and applying it to a field in which products rapidly become obsolete.

Fifteen years ago GM was a rigidly hierarchical company, set in its ways and self-confident to the point of myopia. When a company has made as much money as GM had made for as many years, its management finds it hard to think that it may not have all the answers. Then the shocks began: the rises in gasoline prices, the tightening environmental regulation, the customers' shift to smaller cars and, above all, the loss of one-fourth of the market

for GM's experiments in industrial organization are going to have a powerful influence on the American economy, and it will be an influence for the better. Other companies, under similar pressures, alternate between blaming the government and blaming imports. GM has embarked on a more vigorous response. The audacity of its strategy commands respect.

—THE WASHINGTON POST.

More Party Switching

Are we beginning to see the rationalization of American political parties, as long foreseen and sometimes advocated by political scientists, with conservatives clustering in an enlarged Republican Party and the last remaining Republican liberals leaving for the Democratic ranks? Well, maybe. Certainly we are seeing something unusual.

Former Massachusetts governor Edward J. King got up early Monday morning to go to town hall in Winthrop and switch parties. The prospect is that Mr. King will run for governor a Republican next year against the incumbent Democrat, Michael Dukakis.

That will not be a novel experience. Mr. King beat Mr. Dukakis in the 1978 primary and, after four years in office, lost to him in 1982. They stand for diametrically opposed policies in theory, although they have converged in practice; Governor Dukakis will be campaigning on the buoyancy of the Massachusetts economy, which many of his backers will concede is due in large part to the tax cuts championed by Governor King. On cultural issues, however, they remain far apart. The glib Mr. Dukakis and the painfully inarticulate Mr. King personify the long-time split between town and town in New England politics.

At the White House, the conversion of former Governor King was hailed as a sign of the

strength of the Republican Party. There is a real possibility that in four of the 10 largest states holding gubernatorial elections next year — Texas, Florida, Michigan and now Massachusetts — the Republicans will be running a former Democrat with a good chance to win. In Massachusetts, Mr. King may even have former Democrats running as Republicans for lieutenant governor and attorney general. Former Democrat Ronald Reagan must be cheered at the prospect.

The Democrats' initial response has been to grumble that the party switchers are, as the Democratic chairman in Massachusetts, Chester Atkins, said of Mr. King, "self-serving and opportunistic." Of course they are, but then how many politicians don't serve themselves and take advantage of opportunities?

Mr. King and the rest fit plausibly enough under the Republican umbrella. The Democrats would do better to boast that the Republicans produce so few talented politicians that they must raid the Democratic farm clubs to fill their big league slots. But this is mostly inside baseball. The party switching, at the least, will enliven some important political races in 1986, which in turn may tell us whether these switches are symbolic of more general shifts among the voters themselves.

—THE WASHINGTON POST.

FROM OUR JUNE 8 PAGES, 75 AND 50 YEARS AGO

1910: Mayas Revolt in the Yucatan
NEW YORK — Telegrams from Vera Cruz, Mexico, report that a serious uprising has occurred in the Yucatan. Thousands of insurgents attacked Valladolid. Many persons are stated to have been killed. A despatch from Merida says that 5,000 Indians attacked and sacked Valladolid [on June 5], killing all the principal Government employees and the chief of the police. They then seized all the rifles and pistols they could lay their hands on and instituted a reign of terror. Many inhabitants of Valladolid have fled. The Maya Indians killed forty persons. A gunboat has left Vera Cruz with 600 troops. Railways and telegraphic communication between Merida and the affected district is interrupted.

1935: Japan Plans Attack in China
TIENTSIN, China — Preparations for military action in China are being made at a war council of Japanese military commanders here. Instructions have been forwarded to every Japanese commander in North China by the Japanese War Office. These orders provide for early military action south of the Great Wall because the Japanese contend China has failed to reply formally to Tokio's demands for the cessation of alleged anti-Japanese terrorism. The Japanese action is taken to indicate that again Japan's Kuantung army is ready to march southward through the Great Wall to restore P'u-erh, the last of the Manchus, to the throne of his ancestors under the glittering yellow-tiled roofs of the Forbidden City.

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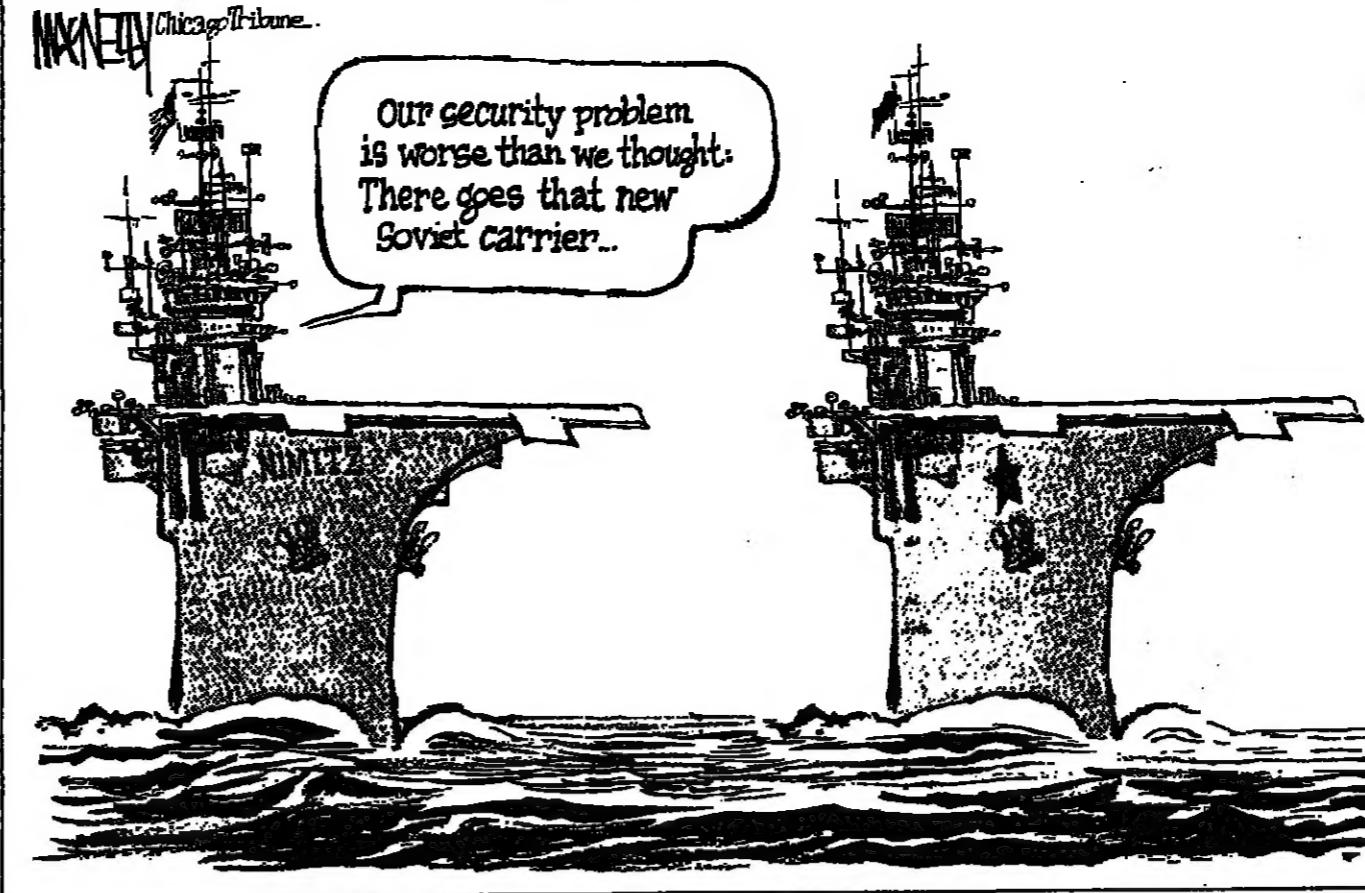
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The Presidency Again: Time for Common Sense

By William Pfaff

PARIS — An article of mine on this page (May 20) concerning the imperial trappings and overbearing security measures surrounding the American presidency has provoked enough comment to justify a few more words on the subject.

The threat of terrorism, most often cited in justification of the present arrangements, clearly is an important consideration. However, the last serious political attempt upon an American president's life — if we put aside conspiracy theories concerning Lee Harvey Oswald — was the Puerto Rican nationalists' attempt to kill Harry Truman in 1950.

The present security arrangements are worthy of wartime. They would be appropriate if the threat to President Reagan were that of a quasi-military commando operation. But is that really the case?

Obviously, such an assault upon Mr. Reagan and his guards is possible. Almost anything is possible. The

three presidents and several other major American political figures who have been attacked since 1960, however, have been the victims of cranks and psychopaths — the obsessive American "loner." It is not necessary to let the standards of American public life be dictated by the worst-case analyses of the Secret Service, an organization with an institutional interest in worst cases.

The question is whether the effort today put into the president's protection really increases his safety to a degree that justifies the political and psychological costs that are paid.

Is the president, with these troops of armed men, the armored cars, helicopters and fortress White House, that much safer than the Prince of Wales, guarded by his single detective? The Prince of Wales, moreover, does confront a serious terrorist organization with an interest in killing

It did not stop two different women from trying shots at President

Gerald Ford in September 1975. What saved Mr. Ford from Lynette "Squeaky" Fromme, a Charles Manson fan, was that she had not discovered that a Colt automatic does not go off merely by pulling the trigger but has first to be armed; and Sara Jane Moore had her pistol knocked aside by a quick-witted bystander.

The Secret Service's measures did not save John F. Kennedy from a determined rifleman.

The sad fact is that the danger of assassination comes with the job.

On the evidence, an American president is in a lot more danger from the Squeaky and clean-cut Johnny Hinckley and ex-marine Lee Harvey Oswalds than from Moammar Gadhafi or Ayatollah Ruhollah Khomeini. The danger to him can be minimized by sensible precautions, but it cannot be eliminated other than by total isolation of the president. There is a point on the security curve where precautions do more harm to the presidency than good. In my view that point was passed long ago.

A president is a servant of the people. He is not a monarch. He does not embody the continuity or legitimacy of the state. He is replaceable, and indeed is regularly replaced. Upon his death in office, violent or otherwise, the Constitution has provided another official automatically to assume his responsibilities.

Is a reform of security possible? It is imaginable. A brave president could simply refuse to be guarded like this. Congress would go along. He could insist upon the prudent but unobtrusive security measures that other chiefs of state find adequate. I myself would think Ronald Reagan a man capable of making such a decision. Whatever the dispute over his policies, his courage and common sense are indisputable.

A second reform that can and should be carried out concerns press coverage of the president. There is no rational purpose served by more than 200 reporters plus hundreds of technicians following the president everywhere he goes. Their presence has been a major force in the imperialization of the presidency.

The federal government should study the successful examples of local youth service programs to design a national program.

Clearly, a number of concerns would have to be considered — program design, the extra costs imposed on a deficit-burdened budget, the effect on military recruitment, rural vs. urban settings, attitudes of organized labor, etc. All the same, national service is a compelling idea that merits trying. The important point is making the commitment before youth unemployment rates get even worse.

The federal government should

study the successful examples of local youth service programs to design a national program.

Youngsters occupied. It could help them sort out their identities, build lifetime principles and develop more respect for self and society.

Congress last year passed a bill that would have created an American Conservation Corps to put youngsters to work in parks and public lands. President Reagan vetoed that bill. The strongest leadership on behalf of youth service has come from states and municipalities. Consider these examples:

The New York City Volunteer Corps. Many participants in this city-funded organization are high school dropouts. Members earn \$30 a week staffing a shelter for the homeless, rehabilitating city parks and taking oral histories from residents of a geriatric center. Those completing the 12-month program are awarded cash and educational vouchers to provide free schooling.

The California Conservation Corps. Assignments for this \$35-million-a-year program funded by California's Natural Resources Department range from repairing dams to clearing salmon streams to assisting forest-fire brigades.

The Northern Youth Corps. In this summer-only environmental program in Eugene, Oregon, crews of young workers are hired directly by private businesses for short-term assignments. The logging industry has used the corps to help replant forests after timber harvests.

In all, more than 30 such pro-

grams are taking shape around the country. While some, such as Pennsylvania's year-old Conservation Corps, are targeted at the economically disadvantaged, others, like the California corps, recruit from a wide spectrum of social and educational backgrounds. One notable effort, the Youth Action Project in the East Harlem section of New York City, specifically seeks society's most difficult youngsters and helps them devise their own community service programs.

Not only do these programs help develop values and attitudes that go with responsible adulthood. Studies also show that work experience — even part-time jobs — together with general education and skill training can significantly improve a young person's long-term employment and earnings prospects.

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The California Conservation Corps. Assignments for this \$35-million-a-year program funded by California's Natural Resources Department range from repairing dams to clearing salmon streams to assisting forest-fire brigades.

The Northern Youth Corps. In this summer-only environmental program in Eugene, Oregon, crews of young workers are hired directly by private businesses for short-term assignments. The logging industry has used the corps to help replant forests after timber harvests.

Debt Payments Testing Economy

By Uli Schmetz

ANKARA — Turkey's bold reforms, often criticized for making the rich richer and the poor poorer, face their first major test this year with the repayment of \$3.3 billion in interest and services on the country's foreign debt.

In fact, this year's record payments (of which \$1.55 billion alone is interest) and another \$3.6-billion payout in 1986, are viewed at home and abroad as the battlefield on which Prime Minister Turgut Ozal's 18-month-old government may stand or fall.

Even the International Monetary Fund, which praised the Ozal reforms last year, is acutely aware of the political and financial implications of the debt commitments. In May, it granted Turkey a stand-by agreement for the next three months "to put its house in order."

When he was elected, Mr. Ozal embarked on a crash course, immersing a previously state-controlled economy into a free-market economy along West European lines. His policy stimulated exports, fixed realistic exchange rates, attracted investments and brought a sudden flood of wealth to traders and bankers.

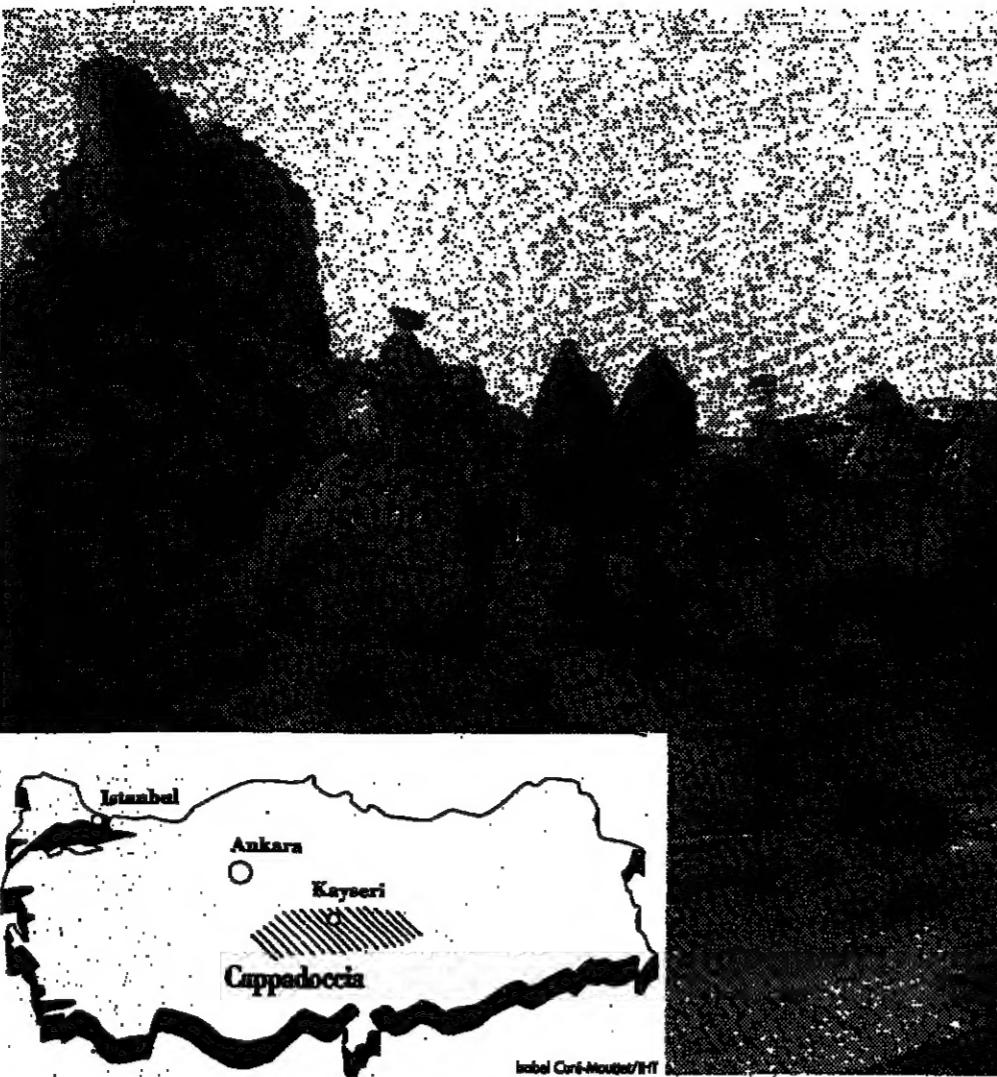
But the new riches have not filtered down to the majority of the population, squeezed by a domestic austerity program that fixed wages far below the inflationary rate and made the price of goods shoot up by at least 10 percent alone in the last month after the government applied value-added-tax measures to build up revenue for a budget deficit running at 5 percent of gross national product.

Although the ban on imports was lifted, only the affluent can afford to buy expensive foreign goods in a country where the unemployment rate runs at an official 16.5 percent (with no unemployment benefit), inflation at 57 percent and average annual income last year was \$1,368.

The brunt of all austerity measures has been borne by the lower-middle and working-class whose real wage earnings over the last five years were eroded by more than 50 percent. The question remains how long a traditionally passive working class (muzzled by an official trade union) can be expected to bear the burden of an economic policy that has seen Turkey gain good credit rating abroad by lowering the standard of living at home.

Still there is unanimous confi-

(Continued on Page 9)



In Cappadocia: Orchards and fields in front of dwellings carved out of the hills. Inset: a peasant family's home.

The Cappadocia Area: A Fantasy Land For Tourists, Rich in Religious History

By James Dorsey

UGURB — A fantasy land rising in sandy cones against a barren background, central Turkey's region of Cappadocia is deservedly one of the wonders of the world.

Pyramidal, pointed soft-rock "fairy chimneys," with protective mushroom-like caps, dot a region where Christians once dug out refuges in eroding geo-morphological structures from Roman and Moslem invaders.

The unpredictable and peculiar rock formations spur one's imagination to roam through a region whose history is still intact.

Cappadocia can be toured in a day from the Turkish capital of Ankara, but it deserves two or three days.

The central city of Ugarb, with its clean, moderately priced hotels and vast number of carpet shops, serves as a tourist base.

In the quiet village of Goreme, a 20-minute drive from Ugarb

through the heart of Cappadocia, the small Sakragan hotel built into the rocks gives guests a taste of life in ancient times at \$5 a night for a double room, while in the nearby Kaya hotel the region's wine flows out of the tap in the guest rooms.

Goreme, a loosely defined area bordered in the south by the road linking Ugarb to the ancient capital of Nevsehir, a city with a population of 200,000, which now governs the province to which it has lent its name, and in the north by the Kizil Irmak (Red) River, owes its beauty to the eruption of several volcanoes, which scattered their volcanic dust, ashes and lava in the surrounding lakes and valleys.

Over the past 3,000 years, successive erosions helped shape the myriad rock formations in which early Christians carved whole cities.

An open-air museum, a section of Goreme closed off by the government to protect some of the finest examples of the region's structures, offers visitors the

opportunity to visit simple-vaulted seventh- and eighth-century churches with frescoes ranging from primitive clay forms to detailed Byzantine icons, monasteries, dormitories and dining rooms.

With religious zeal—and as protection from persecution by the Romans and others—the Christians hid out in the soft rock. The doors to their churches and private quarters were often barely noticeable from the outside, and narrow entrances provided additional protection.

Many of the hollowed-out fairy chimneys, which punctuate the landscape, served as monk cells and one-room residences.

Cappadocia's unmatched geology offered an ideal site to the Christian tradition of monasticism and family and communal life in isolation.

Perhaps the most stunning rock pinnacle formations are located in Pasabag on the road leading north

An Interview With Prime Minister Ozal

ANKARA — Turgut Ozal, Turkey's 57-year-old prime minister, is steering his country through a difficult period of transition from military to parliamentary rule.

Although his Anavatan Partisi (Motherland Party) gained an absolute majority of 211 seats out of 400 in the November 1983 general elections, three opposition parties were not allowed to participate in the polls.

For the last three decades, Mr. Ozal has championed a free-market economy for his country as a member of various administrations. From 1971 to 1973, he worked at the World Bank in New York, then as a senior manager in the Sabanci group, the second largest industrial conglomerate in Turkey, where he carried out the modernization of medium industries.

Mr. Ozal, an engineer and practicing Moslem, is proud of his rural roots. After an interview last month, he walked out into the rain to his waiting limousine, held his face toward the sky and shouted: "This is gold for Turkey."

The prime minister has inherited from his civilian and military predecessors a number of problems that continue to cast shadows over his successes in reinvigorating Turkey's economy. In the following excerpts from an interview with Uli Schmetz and Muscafa R. Gursel he discusses the new democracy's challenges, particularly in the area of human rights.

QUESTION: Mr. Prime Minister, it is often said that your country is a "guided democracy" and that the influence of the military is still far too great. How do you see the future of your country's democracy?

ANSWER: I think these are all lies made up by extreme-left groups in Europe. First of all, my party was elected by the people. We were not preferred by the military and if the military had that power, they could probably have put another party in power.

Certainly, we have had a prob-



Prime Minister Turgut Ozal

gressive Trade Unions of Turkey) are considered terrorists.

A. In the United States, the Communist Party is not forbidden in the local elections, all of them participated. All six of them.

Q. You have often spoken of the possibility of an amnesty. Do you envisage an amnesty in the near future?

A. We have passed a law which is being signed now. We cannot give amnesty to those who acted against the state. That is forbidden by the constitution. What we have done is that we have said to those who repent and give clues about their organization that we will reduce your sentences and in some cases we will not sentence you. Now, that is the case.

Q. Will all parties be allowed to participate in the next election?

A. Yes. In the recent elections, I mean in the local elections, all of them participated. All six of them.

Q. You have often spoken of the possibility of an amnesty. Do you envisage an amnesty in the near future?

A. There are cases when you claim you are a social democrat but you are really a Communist, just posing as a social democrat. Take the example of the DISK: The Communists financed their activities. But this is for the courts to decide.

Q. You have taken more cases of torture to court during your administration than anyone before you.

A. Some officials may do something, but there is no regular torture. In cases where there are claims, they are being studied and there are 100 policemen in jail right now, convicted of such practices.

(Continued on Page 10)

TURKEY

A SPECIAL REPORT

SATURDAY-SUNDAY, JUNE 8-9, 1985

Page 7

Seeking New Trade Role As the East-West Bridge

By Muscafa R. Gursel

ANKARA — Prime Minister Turgut Ozal has been traveling the world, spreading the word that all roads to the Middle East can go through Turkey. His message: "Turkey has a unique geographical and cultural position in the Middle East. Come and invest here, for we can act as a bridge between East and West."

For years, Turkey had wooed its European allies, seeking to become a full member of the European Community and an equal partner in Europe. Under Mr. Ozal's leadership, there are signs of a change from

joint ventures and increased trade. Nevertheless, the opening has been made and 10 years experience has been gained. Turkish companies have joined projects in Saudi Arabia, and there is an increasing development in relations between the two countries. When Mr. Ozal visited Riyadh in April, there were signs of a growing consensus for cooperation in military industries. It was also announced that the Saudis had agreed to provide \$110 million for development projects in Turkey in addition to \$250 million in the form of a standby credit.

The chairman of the U.S. House Armed Services Committee, Representative Melvin Price, leading a 24-man delegation to Ankara and Istanbul, said in his departure statement on May 31: "As legislators we will do our best to strengthen Turkish-American relations and to help you to continue to develop through joint business ventures and economic assistance."

Mr. Price also said that he was going to suggest to the Reagan administration to formally invite President Kenan Evren to visit the United States.

Another Turkish success in the area has been to keep a neutral attitude throughout the Iran-Iraq war. As the only country that has continued a dialogue with both of the neighboring countries, Turkish trade with them has almost quadrupled since the conflict began five years ago. The hope is that when the war finally comes to an end and the massive rebuilding in both countries starts, Turkey will be rewarded for its neutrality and will get preferential treatment in construction projects and trade.

Although Turkey is a secular country, 99 percent of Turks are Moslems and this obviously has been an added advantage for them in doing business in the Middle East.

If Mr. Ozal's expectations are realized and foreign capital comes to Turkey, the country might indeed once again become a bridge between East and West. The signal he is giving Europeans now is that countries like the United States and Japan might be given a privileged place on this bridge if Europe continues to give Turkey the cold-shoulder treatment.

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Balance sheet as at 11.1985	
	US \$
Cash and due from banks	610,397,798
Reserve requirements	242,847,011
Treasury Bonds	122,315,999
Loans	5,151,477
Participations	58,047,803
Bank premises and equipment	54,777,112
Other assets	162,926,106
Total assets	1,832,362,976
LIABILITIES	
Deposits	1,450,887,973
Central Bank	4,481,582
Other liabilities	223,824,264
Total liabilities	1,678,993,619
STOCKHOLDERS' EQUITY	
Capital	33,898,305
Reserves	119,470,852
Total stockholders' equity	153,369,157
Total liabilities and stockholders' equity	1,832,362,976
PROFIT FOR 1984 (after taxes) US \$ 52,524,542	
Capital has been increased to US \$ 113 million as of March 1985	
(converted at TL 442.50 = US \$ 1)	

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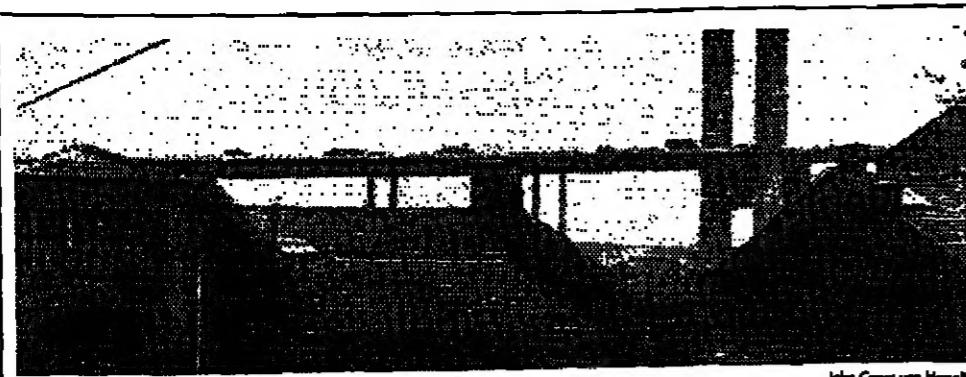
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A SPECIAL REPORT ON TURKEY



In the Horn area: The Bosphorus bridge built in 1973.

Istanbul Regilding the Golden Horn Area

ISTANBUL — The Golden Horn no longer sinks. And if Mayor Nevzat Ayaz has his way, it will soon be as blue as before. At a cost of \$38 million (a credit from the World Bank), Istanbul's city administration is demolishing "eyesores," constructing a new sewage system and remodeling the "old lady of the Bosphorus."

Soon already are buildings such as docks and open markets that gave the Horn that decadent derelict look, which lovers of the city called "charm." Gone, too, will be the old fish, fruit and vegetable markets along the waterfront, where traders from Genoa and Pisa held concessions in Byzantine days. (The markets are to be relocated on the outskirts of the city.)

Bulldozers and cranes have razed hundreds of buildings and gutted warehouses to clear a 2.2-million-square-meter (23.7-million-square-foot) space on the Eyyup end of the Haliç (Golden Horn).

The general secretary of the city, Atanur Oğuz,

says the new face of the Haliç will be determined by a worldwide project competition, to be held this year. But nobody doubts that the 20th-century look, with glass-house office blocks, underground garages and the occasional green spot, will come to the ancient city that straddles Europe and Asia. For a start, at least, the rebuilding will be restricted to the Eyyup district.

Also to be retired are the smoke-belching ferry tramps that chug across the Horn. The first 10 catamaran speed boats, each seating 400 passengers, are arriving this year, part of a fleet of 150 similar vessels that will constitute a new waterway transportation system.

With a second Bosphorus bridge already financed by a joint Turkish-Japanese company (the first was completed in 1973), old Istanbul, the city of the seven hills, is suddenly being catapulted into the 20th century — sad news for many admirers of its leisurely Old World charm.

— ULI SCHMETZER

Ethnic Kurd Population Persists in Guerrilla War

ISTANBUL — "Happy is he who calls himself a Turk." When Kemal Ataturk coined that phrase, he might have been thinking of the host of ethnic groups he inherited from the shriveled Ottoman Empire and on which he had imposed, like it or not, a Turkish identity.

None of these groups have given the Turks more trouble at home than "the sons of Saladin," the almost mythical Kurd leader of the Crusades who inculcated his people with that fierce spirit of nationalism and indomitable independence that still characterizes most Kurds today.

Twice, in 1925 and 1930, the Kurds rose against the Ataturk reforms that turned them into Turks and suppressed their language and customs. Twice they were defeated. But they did not give up.

In Turkey's southeastern provinces, near the Euphrates River and around Lake Van, pockets of Kurdish rebels (officially known as "separatists") today continue to fight a guerrilla war for an autonomous state. Their struggle is as stubborn as that of fellow Kurds in Iraq and Iran.

Over the last 15 years, according to Kurdish sources, 250 Kurds have been executed for their part in the rebellion. Thousands are in jail. (No Kurd has been executed in Turkey since 1980, Turkish officials say.)

But that has changed. Journalists who have visited the area say relentless pursuit by the Turkish Army has made coherent revolt impossible and only scattered guerrilla cells of four to six members make occasional sallies. The times are gone when rebels operated in *fatsi*, or "liberated zones."

It was the first time a Turkish government official announced that Turkey was negotiating for the right to conduct a punitive expedition across the Iraqi border in pursuit of Kurdish rebels.

There is no discrimination if a Kurd adapts. In a recent interview, Prime Minister Turgut Ozal, born in the southeast, said: "Let me tell you that the Kurds are not an ethnic group in Turkey. I don't agree with that. There is no separation and today I don't know whether in

Almost every other day, Turkish newspapers report the deaths of soldiers (mainly members of anti-guerrilla units) and separatists during skirmishes. Turkey's southeast, around the city of Diyarbakır, where 80 percent of an estimated 7 million Kurds live, remains under martial law.

The government says that in the last nine months alone, 38 security officials, both military and civilian, were killed in fighting around six cities in the southeast. In the same clashes, 65 armed "separatists" lost their lives "when they refused to surrender," a government spokesman said. He added that 50 bystanders were also killed "by the separatists."

In the past, in Kurdish villages where people only speak Kurdish (heavy prison penalties are imposed for distributing printed material in the language), where fields are still sown by hand, girls are still "bought" from their parents and transportation is by ox wagon or donkey, the rebels could always find temporary refuge and food.

But that has changed. Journalists who have visited the area say relentless pursuit by the Turkish Army has made coherent revolt impossible and only scattered guerrilla cells of four to six members make occasional sallies. The times are gone when rebels operated in *fatsi*, or "liberated zones."



Areas of Kurdish guerrilla activity in southeast.

my ancestors there are Kurds or Turks because there were intermarriages and the language is very similar.

"We have the same complexion and there are many governors and generals to whom we never say you are a Kurd or a Turk. It doesn't make any difference."

Much of the Kurdish problem has its roots in the feudalistic and impoverished southeast, one of the Middle East's most backward regions.

However, the new Ataturk Hydroelectric Dam near Ura will irrigate 700,000 hectares (1.73 million acres) of land, most of which is inhabited by Kurds.

The dam might yet give the Kurds a share of wealth, something ethnic experts feel "is certain to tie them closer to Turkey than laws and talk of a unified identity."

— ULI SCHMETZER

Civil Rights Become a Rallying Point for Dissidents and the Official Opposition

ISTANBUL — Eighteen months after the return to a parliamentary government, Turkey's leaders are still reluctant to ease the restraints of semimilitary rule if Turkey does not want to revert to the dark days of the 1970s when armed political gangs murdered an average of 20 persons a day.

Still, even some government officials agree that there is a need for vast improvements in human rights, which tend to be trampled under the pretext of national security.

But the official reaction to the problem often seems bizarre: To placate growing demands for an amnesty, the government has approved a law reducing sentences and even granting immunity from punishment to those who "repent and collaborate" with the security forces.

Clamor for the abolition of martial law has been met with a legislative package that will give the police virtually the same powers — phone-tapping, searches without warrants, arrest on suspicion, cen-

sorship and the use of guns — now applied by the military-security apparatus under martial law.

When 92 percent of the Turkish electorate voted in favor of a new constitution in 1982, they also voted for maintaining Kemal Ataturk's 63-year-old law prohibiting Communist ideology. This law permits political opponents and dissidents to be arrested, charged and sentenced as "Communists" — a crime equivalent to being an enemy of the state.

"Our constitution defends the state against individual rights rather than vice versa," said a member of Turkey's proscribed Peace Association. He prefers to remain anonymous so he cannot be accused of violating article 140, which punishes those making derogatory remarks against the state and the constitution.

Over the last five years, 110 security officials have been sent to jail for "inhuman" treatment of prisoners; over the same period, 897 complaints of torture were filed and there have been convictions in only 46 cases so far.

Cells holding 30 persons are searched sporadically, and prisoners who refuse to evacuate them are beaten.

Although a number of commissions have been able to inspect Turkish prisons in recent months, conditions in some jails, particularly military institutions where the hard core of so-called terrorists are held, remain below human dignity.

On the other hand, recently released intellectuals said that they had not been tortured. But they said they were handcuffed in rows and chain-shackled in a group.

Many inmates refuse to see relatives to avoid undergoing degrading body checks that include being stripped naked and examined in intimate parts. The same procedure is often applied to the visitor.

Such "precautions" appear superfluous if one remembers that a prisoner and a visitor can only communicate by telephone through a glass partition. During the 10-minute visit the prisoner is flanked by two guards who unplug the phone if there is talk of prison conditions.

Cells holding 30 persons are searched sporadically, and prisoners who refuse to evacuate them are beaten.

A former prisoner recounted how his fellow inmates, two smugglers, accused each other of cowardice under torture. "You squealed after three minutes; I only started after five minutes," one of them boasted.

A prominent publisher, who was imprisoned earlier, said that beatings and torture were so much part of prison routine in the 1970s that prison staff became immune to their significance.

After he had been beaten on the soles of his feet, he was taken to the colonel's office to sign a confession, he said. "As we sat down his foot nudged mine accidentally," he recalled. "Sorry," he said immediately, quite unaware how ridiculous such an apology was after what had just been done to me."

The evidence against "Communists" is often a little far-fetched. One man was jailed for three years

for owning a Che Guevara poster, another, for reading what was described as leftist literature.

In the recent trial of Peace Association members, the prosecution accused the defendants of helping the Soviet Union to implement Peter the Great's dogma: "Russia can only survive if she controls the straits of Turkey."

Evidence against them included charges of reading George Dimitrov's books and of having organized a memorial celebration for a Turkish poet who fled to Moscow under the Ataturk government.

"Communist" roundups have included former government ministers, ambassadors, the wife of an

Istanbul mayor and leading military officials.

"No one is safe," said a former prisoner. "One day my cell mate ran up to a new man in the prison yard and hugged him. The newcomer had been the director of a military jail on the Black Sea, my friend's last prison abode."

The prison director's crime was keeping a poster of Pablo Picasso's "Guernica" in his room.

Since fundamental rights have been suspended for reasons of national security, trade unions cannot support political parties, newspapers may not publish certain criticisms and pacifists cannot promote their ideas.

Newspapers have published the shout of prisoners from the docks — "I have been tortured; look at my arm" — and publishers say the number of calls by the censor (prohibiting publication of a certain statement) have diminished.

The period of pretrial arrest (there is no habeas corpus) was reduced from 45 to 30 days, and a law allows those unlawfully arrested to be indemnified. More than 1,000 trade union members of the proscribed Confederation of Progressive Trade Unions (DISK) were released from jail.

Sometimes, a ray of hope beams through the wall of restrictions.

On May 15, at the Tanbay gallery in central Ankara, an exhibition of 90 paintings attracted an unusually large number of guests who flew in from all over the country. Not many inspected the crayon paintings on exhibit. Most came to demonstrate their solidarity with the painter Orhan Taylan, a member of the Peace Association, who is still being held in Istanbul's Sagmalci civilian prison.

Surprisingly, Mr. Taylan, 45 years old, who during his trial said that he had been tortured, was not only allowed to paint but his wife could also take his paintings away and organize an exhibition.

The most clamorous of recent trials has been that of the 28 Peace Association members, all intellectuals, accused of spreading Communist propaganda.

Sentenced to terms ranging from five to eight years, all but six of the accused have been released, pending retrial.

— ULI SCHMETZER

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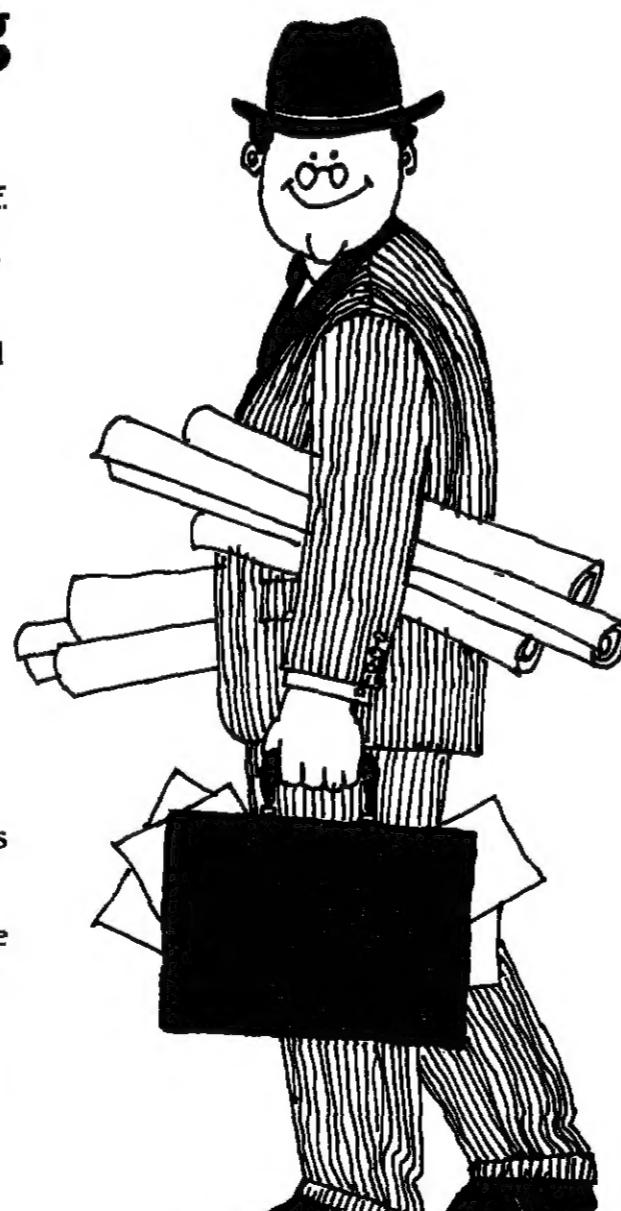
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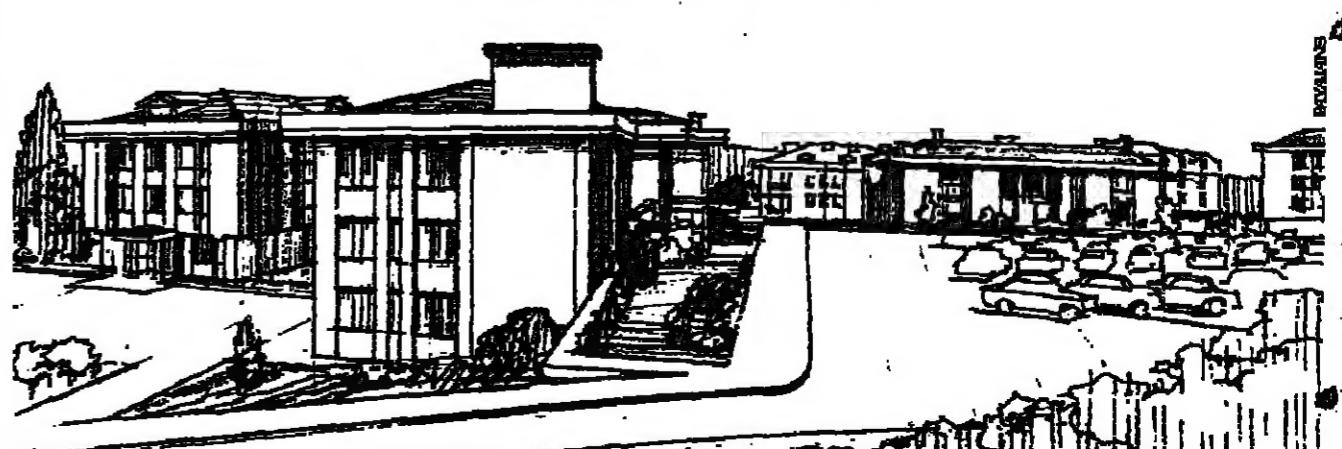
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Persistent Inflation Troubles the Economy

By Burhan Senatclar

ISTANBUL — This will be a difficult year for Turkey's stabilization program of Jan. 24, 1980, which centers on two key issues: inflation and exports. Critics, however, although accepting the importance of these two issues, thought problems such as growth, unemployment and income distribution were neglected.

The program was successful in increasing exports, which rose from \$2.9 billion in 1980 to \$4.7 billion in 1981 and \$5.7 billion in 1982. They remained steady through 1983 and rose to \$7.3 billion in 1984. The target for 1985 was set at \$8.3 billion, but first-quarter figures are not promising at all.

Even if this target is achieved, the trade deficit will reach \$2.6 billion and the current-account deficit will be \$1.5 billion. The debt burden is expected to exceed \$3.3 billion (\$1.9 billion and \$1.4 billion in interest).

Inflation, too, has been worsening. Following the 1980 price increases — almost 100 percent — the inflation rate went from 37 percent in 1981 to 25 percent in 1982 and 31 percent in 1983. In 1984, it reached 52 percent, surpassing the target of 25 percent for the year.

The target for 1985 was again set at 25 percent, but the developments of the first months proved this to be highly unrealistic. The rate for the first four months was already

The writer is an associate professor of economics and public finance at Istanbul University.

above 16 percent. The introduction of the value-added tax in January pushed the rate up. Basic foodstuffs, which are not covered by the value-added tax, are to be included in the summer, which will send the inflation rate up even more.

In May, the deputy prime minister said that "this year's inflation rate will be less than last year's," indirectly hinting that the target has been revised.

The rampant inflation is hurting wage-earners most, whose earnings were heavily reduced at the outset of the stabilization program. Last year, the average real wage was less than half of that of 1977. The new government has limited the economic and political strength of the unions, many unionists believe, that under the present legislation a strike will not be to the advantage of the workers. Civil servants, too, who have no representative organization, have also suffered heavy losses in real income.

The stabilization program is based on low real wages, high interest rates and continuous devaluation. High interest rates and expensive imports have pushed up the costs in manufacturing industries. High interest rates for deposits and the inefficiency of the banking system make credit expensive. Nevertheless, falling real wages and oligopolistic markets with mark-up pricing have produced high profits.

Although the government was presenting inflation as one of the most important economic problems, one might easily conclude that the anti-inflationary monetary policy is not a very determined and tight one.



Export cargo being loaded at the Port of Izmir.

The decrease in real value of tax revenue limits government expenditures on the one hand and in-

borrowing on the other. Public-sector borrowing is increased through government bonds, Treasury bills and "revenue-sharing certificates" of certain infrastructure investments or diverting an increasing share of central bank credits to the public sector. All of these factors compete with demands from the private sector and push the interest rate up.

Another aspect of the present economic program is the pricing policy of the state economic enterprises. These concerns are gradually pushed into competitive market conditions, but their productivity is still generally low, and in order to avoid losses they frequently raise prices.

Debt Payments Are Testing Resilience of the Economy

(Continued From Page 7)

can be reached, but the deputy governor of the central bank, Zekeriya Yildirim, feels that the figure is feasible if one takes into consideration the rapidly growing transit trade to Turkey's new trading partners in the Middle East, particularly Iraq and Iran.

On paper the future looks rosy: a healthy export-making capacity of 37 percent of the foreign debt, which increased by 42 percent over the last five years, while revenue increased by 43 percent.

In 1979, foreign reserves were down to \$700 million; today, they amount to \$2.5 billion — \$3.5 billion if one includes the value of gold in the central bank.

With many of the fledgling ex-

port companies and private banks heavily involved in Middle East trade, vulnerability is large, but stamina may be short.

Libya is badly behind in the repayments of \$3 billion worth of contracts.

But the government's biggest headache at the moment is to satisfy the International Monetary Fund, anxious about the budget deficit and eager to see a stop to further investment loans and a curb on inflation.

The fund has recommended that Turkey this year limit its borrowing to the \$300-million hybrid loan signed in April. Raised by the central bank as a multiple purpose loan, it was underwritten by the

United States. Twenty foreign banks, along with one Turkish, participated.

At the same time the prime minister said his government did not intend to jettison or delay any of Turkey's major development projects. These include the Anadolu hydroelectric dam, the second Bosphorus bridge, a nuclear plant and the Istanbul-Ankara rail and road project.

There is little doubt that Mr. Ozal's reforms have ushered in an era of genuine expansion and given Turkey a good credit rating on the international monetary markets. In the end, however, his strategy will be judged by his country's ability to meet its heavy debt-servicing commitments in 1985 and 1986.

Transport System Revamped for Transit Trade

By Nick Terde

ISTANBUL — Turkey is in the grip of transit-trade fever. The country's transport system is now undergoing a multimillion-dollar overhaul designed to provide a rapid, efficient and economical service for goods en route from east to west and vice versa.

With its strategic location linking Europe and Asia, Turkey has always been an important trade route between the two continents. In recent times, however, a decline in investment in transport and lack of business initiative have relegated the transit sector to a marginal activity.

In a few short years the war between Iran and Iraq has changed all that, setting in motion a transit-trade bonanza that has played an important role in the country's economic resurgence. Treasury sources say that transit trade figures are confidential, but one leading trucking estimate 1984 earnings at about \$800 million for a volume in excess of 10 million tons.

But having caught the bug, the government now has wider ambitions. When Iran and Iraq finally put down their weapons, Ankara intends to have established its claim as a major trade route for

eastbound goods to the whole of the Middle East, as well as westbound traffic for Europe, North Africa and the Americas.

On his visit to the United States in April, Prime Minister Turgut Ozal stressed Turkey's potential as a transit point for American goods to the Middle East. The country's political stability in a conflict-ridden region is one of its leading attractions.

Meanwhile the government is keen to add another slice of transit business to its books with the development of a series of free-trade facilities.

The system is now working much more smoothly. In the main transit ports — Mersin and Iskenderun on the Mediterranean coast, and Samsun, Trabzon and Hopa on the Black Sea — new cargo-handling equipment, particularly for containers, has been installed, new berths built and storage areas expanded.

Iraq depends particularly on the Turkish route, which carries virtually all of its oil shipments. A construction tender has been issued for a second crude oil pipeline, with a capacity of 35 million tons a year, from Iraq's Kirkuk fields to the Ceyhan terminal on Turkey's Mediterranean coast. The first pipeline was recently boosted to carry 50 million tons.

Iran is also interested in expanding its road shipments of crude through Black Sea ports. It has been experimenting with plastic-inflatable tanks that can be mounted on trailers — thus supplying a back cargo for trucks that generally return empty.

Key sections of the highway system are also being upgraded. A \$551-million contract was awarded in April to a Japanese-led consortium to build a second road bridge over the Bosphorus, as part of a plan to install 400 kilometers (248 miles) of motorway on the main trunk route from the west.

New regulations on companies' minimum haulage capacity have helped to put the trucking sector onto a more stable basis. Customs procedures at the borders and in the ports have been simplified and streamlined.

The boom really took off in 1982. As Iraq's — and many of Iran's — ports became unsafe or unusable, both Tehran and Baghdad began to look increasingly to Turkey as the route for their vital imports and exports.

Goods of nearly all kinds — but not armaments, which are banned — have crossed Turkey's eastern borders, from massive shipments of construction and project material to bulk grain and other foodstuffs, timber, medical supplies and so on.

Meanwhile, vast quantities of crude oil and products have been exported from the two countries via

the rail system. The rail system is being upgraded and modernized, with double tracking, electrification and new signaling equipment. The rolling stock is being expanded and renewed, not just by purchasing from foreign suppliers, but to an increasing extent by building under license in the railroad authority's own workshops.

Foreign Investment Has Green Light, but With Caution

By David Tonge

ISTANBUL — A signing ceremony in Istanbul in mid-May confirmed for the government of Prime Minister Turgut Ozal that two of its economic policies were beginning to pay off: the encouragement of foreign investment and the opening to the Arab world.

Along with Mr. Ozal, officials of Tunisia and of Kuwait's Petroleum and Industry Ministry came together to seal a plan to build Turkey's badly needed fourth fertilizer complex, a \$230-million venture.

Not surprisingly, the government has linked the investment and Arab policies together. Results so far include agreement with Kuwait and Saudi Arabia to set up joint-stock investment companies with nominal capitals of, respectively, \$100 million and \$150 million. Two Arab financing institutions have opened their doors in Istanbul.

The government has also turned to the West and Japan.

The overall results of the most determined effort in this century to

open Turkey to outside capital are still limited. In 1984, the Foreign Investment Department of the State Planning Organization approved \$271 million of new investments but the actual foreign-capital inflow was around \$113 million.

This year, the government is expecting about \$150 million, a small fraction of Turkey's expected current-account deficit of \$2.7 billion.

Many Turks are surprised that the pace of such investment is not quicker. Foreign trade missions regularly visit Istanbul, Ankara and Izmir. The outer office of Kemal Kilit, head of the Foreign Investment Department, is full of investors seeking his support, which is readily given.

Visiting businessmen say they are impressed by what they see: Turkey's rich resource base, particularly in agriculture and tourism; the solid domestic market represented by a population of 49 million; the country's convenient location for exporting to the Middle East; the entrepreneurial attitude of Turkish business; the country's political stability; and the pro-investor approach of the government.

Also, there are the results expected from the deals signed with General Dynamics, for F-16s, and ITT,

for digital telecommunications, which require the companies to attract foreign investment to Turkey.

All this explains why Mr. Kilit insists that investment is about to enter a takeoff period. Yet, the fact is that head-office perceptions of Turkey have been taking time to change, particularly during a period when Third World investments as a whole have been under surveillance. Also, there are several problems that investors still have to face.

The main problems spring from the state of the economy — inflation of around 50 percent, the continuing depreciation of the Turkish lira and interest costs for normal bank credit of a minimum of 70 percent to 75 percent. There is an additional problem if, as has been the case for foreign banks, foreign capital has to be converted into Turkish lira.

Parallel with this runs the key question of finding the right local partner, who will match managerial skills with available capital.

This said, the serious investor who can offer not only technology and funds but also marketing skills, especially in the case of an export-oriented or tourist project, is guaranteed a warm welcome.

Exports on a Downturn After 5-Year Increase

ISTANBUL — One of the pillars of the economic plan adopted in January 1980 was to increase exports to provide Turkey with badly needed foreign currency. Aided by a rational exchange-rate policy, subsidized credits, tax exemptions and rebates, exports rose from \$2.2 billion in 1979 to \$7.3 billion in 1984.

This year, however, the situation has changed. According to the State Statistical Institute, exports in February 1985 were 17.5 percent down from February 1984 and 25.8 percent from January 1983.

Contracting world trade, the rise of protectionism, the saturation of Turkey's traditional export markets and a stronger dollar have contributed to the downturn.

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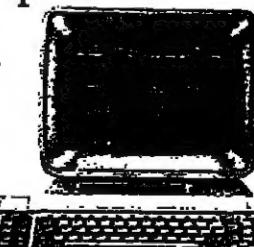
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A SPECIAL REPORT ON TURKEY

Opposition Parties Develop in a Media Vacuum

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(**) The United States Ambassador to Turkey Mr. Robert Strausz-Hupe gave a special address to the Foreign Investment Association in Istanbul. The Ambassador labeled Turkey as follows: "Turkey is a land of opportunity to be discovered." (March 1985; in Istanbul, Turkey)

ANKARA — In the last two years, a unique political situation has emerged in Turkey, where the governing party does not really face any opposition in parliament and the main opposition parties remain outside parliament.

The general who had run the country from 1980 to 1983 set up an elaborate system of deciding who was going to be allowed to run in the first general elections of November 1983. As a result, only three parties, the Motherland Party, the Nationalist Democracy Party and the Populist Party succeeded in getting permission to run candidates.

However, the results of local elections held only half a year later, in March 1984, presented a very different picture than the outcome of the general elections. While the governing party was still the clear and undisputed winner, the opposition parties in parliament turned in a very poor performance. The Populist Party's votes dropped from 30.1 percent to 8.7 percent while the Nationalist Democracy Party proved to be almost nonexistent.

The main opposition party became the Social Democracy Party, getting 23.4 percent of the votes.

Its leader, Erdal Inonu, had been voted earlier by the generals.

Although a newcomer to active politics, Mr. Inonu has nevertheless spent a lifetime behind the scenes.

(He is the son of Ataturk's successor, Ismet Inonu.) The True Path Party emerged as the second opposition party, with its temporary leader, Yildirim Avci, capturing around 13 percent of the votes.

Developments since the local elections are a clear sign that, concerning the opposition, events are not shaping up as the generals had

envisioned. The True Path Party, which had its first party congress on May 14, elected Mr. Husemetin Cindoruk as their new leader. He was the clear choice of Suleyman Demirel, the former conservative prime minister who was banned from politics for 10 years by the former military rulers. Mr. Demirel, mentioned only as "the knowledgeable" in the local press, proved that he is firmly in control of the party.

On the left, it has been announced that a group called the Democratic Left Party is going to be officially founded on Aug. 19. This party has the full backing of the former social democratic prime minister, Bulent Ecevit, who was also banned from politics for 10 years by the generals. The party is being founded under the direct supervision of his wife, Rahsan Ecevit, who most likely will be its first leader.

In a recent interview with the International Herald Tribune, Mrs. Ecevit said that what makes the new party different from other social democratic parties is that "our party is being founded by the people themselves" rather than by politicians. Mrs. Ecevit claimed that there were already more than 40,000 people around the country working for the party. She also stressed that the party wants to draw a distinct line between it and other elements of the left in the country, "... to ensure they do not infiltrate our ranks."

While it is too early to predict the reaction of the former military rulers to the indirect appearances of Mr. Demirel and Mr. Ecevit on the political scene, the Ecevits are being strongly criticized by the Social Democracy Party for "dividing the social democratic potential in the country."

Both of the parties seek membership in the Socialist International and once the new party is founded in August, the political arena is bound to get hotter. The Social Democracy Party, meanwhile, has called on the Populist Party in parliament for a merger. The question will be taken up at the Populist Party's congress.

However, most of these developments in the opposition are taking place without public exposure because of the restrictions of the 1982 constitution. The state-controlled radio and television ban political parties that are not represented in parliament from presenting their views.

Party cooperation with workers' syndicates or with professional associations are also banned by the constitution. These restrictions are seen as making it especially difficult for social democratic parties to establish a sound base.

Political observers in Ankara believe that the further division of the left plus the emergence of a strong second conservative party means that the right will be in power for some time to come.

— MUSTAFA R. GURSEL

Ozal and the Party: Shaping of an Ideology

ANKARA — To attempt an evaluation of the Motherland Party government is to attempt a personal evaluation of Prime Minister Turgut Ozal. This is not simply because Mr. Ozal is the leader of the party and head of the government but because few Turkish politicians have commanded their party and government in the manner of Mr. Ozal for quite some time.

His dominance is understandable. The ruling Motherland Party is his creation. The idea was his, the ideology is his; once he received permission from the military rulers to form a party in the spring of 1983, he handpicked not only the upper-echelon cadres but also the local leaders.

The pool from which he made the selections was rather small: many experienced politicians had been banned from politics, others had been intimidated, still others disillusioned. Many conservatives

and asked to be expelled — which was what happened.

The second crisis also erupted from within Mr. Ozal's immediate circle. This one involved the 34-year-old minister of state, Ismail Ozdaglar, liked and trusted by Mr. Ozal. Mr. Ozdaglar was accused of taking a bribe from a shipping magnate and was asked to resign by the prime minister at the beginning of this year. Mr. Ozdaglar resigned, but he was pleading his innocence, saying he was framed for upsetting shipping interests. The bribe-taking accusation has been investigated by a parliamentary committee and was sent by the National Assembly to the Supreme Court for impeachment proceedings. Mr. Ozal could suffer great damage should Mr. Ozdaglar be acquitted.

Political pundits expected the prime minister to have serious problems with President Kenan Evren, whose term expires in 1989. These expectations were unfounded. Everyone in Ankara knew from the beginning that the success of the transitional system that was set up by the military depended upon the relationship between President Evren and Prime Minister Ozal. Mr. Evren, as the leader of the 1980 coup, has the full support of the military, in addition to holding expanded constitutional powers. Mr. Ozal, on the other hand, has emerged from the ballot box. Both men are popular with the crowds, though in different ways. If Mr. Evren is a feared and revered father figure, Mr. Ozal is more like a beloved-uncle figure.

The relationship has had its rough moments. Mr. Ozal worked quite smoothly with the generals as their economic basis until his resignation in 1982. His was one of the three parties allowed to take part in the general elections, though not the generals' favorite. This was no secret. Two days before the voting, Mr. Evren made an unexpected radio and television speech, and in essence, asked the voters to disregard Mr. Ozal's promises and cast their votes for the Nationalist Democracy Party of Turgut Simsek, a retired general. Nevertheless, Mr. Ozal won by a large margin.

Mr. Ozal and the president embraced within the presidential palace after Mr. Ozal's convincing victory, and Mr. Evren asked Mr. Ozal to form the new government. During the first few uneasy months everyone looked for signs of a rift. They were disappointed.

Mr. Ozal said his relationship with the president is a good one. He praises Mr. Evren for the careful way in which he exercises his constitutional authority. Mr. Evren's views on the issue are not known.

It is true however that there have been no visible strains between the two over the past 18 months, partly

because they concur on many matters and partly because Mr. Ozal prefers a conciliatory posture toward the president and the military.

On the whole, Mr. Ozal has had a relatively easy time as prime minister.

The parliamentary opposition has been weak and demoralized; the extraparliamentary opposition has lacked the means to make its voice heard; the labor unions have been in disarray, the universities silent, the press timid and apolitical.

The sense of intimidation resulting from years of turbulence has persisted. As the soldiers gradually withdraw into their barracks, Mr. Ozal has found more elbow room in which to exercise his authority. In the process, he has begun to look less and less like the economics minister of a military government and more and more like the head of a civilian government.

— MUSTAFA R. GURSEL

An Interview With the Prime Minister

(Continued From Page 7)

Q. In your campaign platform you promised to fight inflation and the erosion of real earnings. Not much progress has been made in this area. Does this not promote the danger of social unrest?

A. I am a prime minister close to the people. I know their situation. Things have changed in Turkey. Clothing has changed, cities are cleaner, people are smiling, the shops are full, there is no scarcity of any item available in Europe. Five years ago this was not so.

It is true that inflation has be-

come more difficult than we had originally estimated. From the middle of last year there was a decrease in inflation but at the beginning of this year there was a jump and people thought that inflation was picking up again. But it is not. It is basically the application of the value-added tax. The manufacturers just added 10 percent to their inventories. The effect of this has now been completely absorbed by the economy. This year, I estimate that inflation will be around 35 percent or less, which is quite an important achievement over last year.

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The Arts: Cinema Leads a Cultural Thrust Into West

By Haluk Sahin

ISTANBUL — If art is indeed a medium of universal communication, Turkey has been at its receiving end for a long time. Books, plays, films and other works of art produced in the West have usually made their way into Turkey quickly. Very little, on the other hand, has gone in the opposite direction.

There are signs that this imbalance may be changing. A number of Turkish artists have made successful incursions into Western territory. Turks are being noticed as artists.

In this process, a contingent of young film-makers is leading the way. The turning point, perhaps, was "Yol," a film scripted and edited by the late Yilmaz Guney and shot by his disciple, Sezif Goren. "Yol" shared the first prize with "Missing" by Costa-Gavras at the Cannes Film Festival in 1982 and put Turkish cinema on the map. Ever since, prizes and accolades have been accumulating.

Erden Kiral's "Hakim'de Nişanlı" (A Season in Hakkim) won the second prize at the Berlin Film Festival in 1983, and Tunc Aksan, the actor who played the part of the tragic hero-victim in "Yol," was recognized this year in Berlin with a special award for his role in "Pehlivan" (The Wrestler).

According to Asli Dorsay, film critic of the newspaper Cumhuriyet, there are striking parallels between the recent Western interest in Latin American literature and the increasing recognition of Turkish cinema. The latter also presents to Western audiences a range of themes and characters completely unlike the overworked themes and characters found at home.

But its attraction is not limited to its exotic material. These films astonish people with their scope: They depict such harsh contradictions — feudalism versus capitalism, city versus country, Eastern culture versus Western culture, secular outlook versus Islamic faith — all intermingled and fighting it out in one society," Mr. Dorsay says.

The same elements may account for novelist Yashar Kemal's singular success in the West. Fourteen of his books have been translated into other languages, and his three-volume saga, "Memet My Hawk," has appeared in 33 languages. Mr. Kemal's most attractive feature for people in highly industrialized

countries may be his sensitivity to nature and the environment.

He says that while most other novelists look at nature merely as decor, "Nature has always been one of my principal characters. I lived in the fields for eight years, day in day out. I know that each plant, each flower has a different personality. I try to reflect this in my writing."

Other prominent Turkish writers of Mr. Kemal's generation such as Kemal Tahir, Oahan Kemal and Asli Khan, and poets Fazil Husnu Doglara, Oktay Rifat and Melih Cevdet Anday have not done as well outside Turkey. Turkish is a member of the Uralo-Altaic family of languages, remotely related to Finnish and Hungarian, and not part of the Indo-European family. There are few qualified translators who will take the time and effort to render a complex work of art into another language.

Thilda Kemal, Yashar Kemal's wife, is such a person and has made translating her husband's work into English her vocation. According to Mr. Kemal, had Turkish been a more accessible language, two artists would have ranked among the outstanding figures of 20th-century literature: Nazim Hikmet, the poet, who spent 14 years in jail for being a Communist and died in Moscow in 1963, and Sait Faik, the short-story writer, who led a poetic existence almost entirely within the limits of the city of Istanbul until his death in 1954. Mr. Kemal believes that their works, like his own, reflect certain universal values that are the essence of all great literature.

Zulfi Livaneli, a popular musician at home and abroad, also explains his success in the West in terms of universal values. He has performed to full houses in solo concerts or with Maria Farantouri, the well-known Greek singer, in several European cities, and his records have won a number of international awards. Mr. Livaneli plays the *saz*, the traditional instrument of Turkish bands.

"I base my songs on Anatolian ballads," Mr. Livaneli says. "And Anatolian ballads bear a striking resemblance to Irish ballads. That is why my music does not sound strange to European ears." He is not the only popular musician who has sought fame and fortune outside of Turkey, but he is clearly the most successful one.



Turkish families at a market in West Berlin.

Reagan Assures Ozal on Continued U.S. Aid

By John M. Goshko

WASHINGTON — Current U.S. relations with Turkey have received the debate about how the United States should treat a strategic partner and North Atlantic Treaty Organization ally whose standards of democratic practice are under fire for allegedly not meeting Western norms.

That was apparent in the different reactions that greeted the visit here of Prime Minister Turgut Ozal in early April. President Reagan and his key policy advisers made clear that they are strongly sympathetic to Turkey's military aid requests and unabashedly admiring

of the free-market economic policies that caused a senior administration official to describe Mr. Ozal as "a real Reaganite in economic terms."

But Mr. Ozal also found himself the target of demonstrations by human-rights advocates charging that rights abuses still persist in Turkey, that the Turkish armed forces still retain too much veto power over the new and fragile civilian government and that Turkey continues to violate international law through its military occupation of Cyprus.

Also clearly audible in the chorus of criticism were charges by Greek Americans about Turkey's alleged hostile intentions toward

Greece and by Armenian Americans who remain bitter at Turkey's firm denial that it committed genocide against its Armenian population between 1915 and 1923.

This ambivalence has been reflected in Congress' response to Mr. Reagan's high-priority goal of shoring up Turkey's ability to contribute to NATO defenses by modernizing its armed forces.

When Congress completes its foreign-aid appropriations for next year, Turkey will be outranked by Greece \$500 million. That gesture to Greek sensibilities, coupled with revival of moves in Congress to pass resolutions supporting the Armenian genocide accusations, seems likely to fuel Turkish resentment of American intrusion into matters that Turkey considers irrelevant to U.S.-Turkish friendship.

by real need rather than "artificial formulas." Congress refuses to break with its practice of decreeing that for every \$10 given to Turkey, Greece must receive \$7.

To maintain this 7-to-10 ratio, Congress seems certain to cut Mr. Reagan's request for \$785 million in foreign military sales credits for Turkey to \$715 million, while giving Greece \$500 million. That gesture to Greek sensibilities, coupled with revival of moves in Congress to pass resolutions supporting the Armenian genocide accusations, seems likely to fuel Turkish resentment of American intrusion into matters that Turkey considers irrelevant to U.S.-Turkish friendship.

Papandreou Victory Could Herald a New Détente Bid

By Andriana Ierodiaconou

ATHENS — In theory, Andreas Papandreou's sweeping June 2 general election victory in Greece could herald a phase of détente in Athens-Ankara relations, in the view of Western diplomatic observers.

Mr. Papandreou's Pan-Hellenic Socialist Movement emerged with an unexpectedly clear lead of about 5 percent over the runners-up, the

conservative New Democracy Party. With that kind of ample national majority, diplomats say Mr. Papandreou has a lot of room for maneuver on key issues of foreign or economic policy — including Greek-Turkish relations.

Now could be the time for an opening to Ankara, according to some of them.

However, a Greek-Turkish rapprochement does not seem to be on

the election campaign, the Greek prime minister often had occasion to repeat his government's position on a Greek-Turkish dialogue — that it cannot happen unless and until Turkish troops end their 11-year military occupation of 37 percent of the territory of Cyprus.

The second Greek demand is that Turkey must drop claims on continental shelf, airspace control and other rights in the Aegean Sea, which are seen as a challenge to Greek sovereignty in the region.

Thus, the Socialists' policy toward Turkey for the next four years

appears to promise "more of the same." This is likely to mean a continuation of the policy of boycotting exercises by the North Atlantic Treaty Organization in the Aegean Sea until the alliance agrees to include the northern Greek island of Lemnos — which Turkey maintains Greece has no right to

militarize — in maneuver plans.

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No Brass Bands for the Returning 'Gastarbeiter'

ISTANBUL — Nearly a quarter of a million Turkish *Gastarbeiter* have returned home from West Germany over the last two years. Their return was prompted by unemployment, an increasingly hostile atmosphere and financial incentives to leave a country where most had lived and worked since the early 1970s.

A total of 1.1 million have returned out of the 1.4 million who set out to make their fortunes in the seventies, when the West German labor market, hungry for workers, became a new mecca for Turks. But with increasing automation in the late 1970s and early 1980s, the need for unskilled labor quickly disappeared.

These rules were coupled with "go home" incentives, such as a \$3,000 bonus for Turks who left immediately once they were laid off. Some cities even paid their moving costs back to Turkey. The government paid out pension fund contributions though not the share paid in by the employers. Graffiti appeared on street walls: "Turks out."

It was a far cry from the days when Turkish workers were welcomed with flowers and brass bands.

But the Turk was not appreciated at home. After all, they had sent an average 1.8 million Deutsche marks (about \$590,000) home a year, which helped boost foreign current

reserves vital to the servicing of Turkey's \$20-billion debt.

And they came back to a labor market with five million unemployed and no unemployment benefits. They found the same suspicion that "you are taking away jobs" they had encountered in West Germany.

"In Germany, I was always a Turk," says Ali, an Istanbul taxi driver who returned seven months ago. "now I'm always called 'the German'."

Mustafa Kalkmli, minister for labor and social services, said each returning worker costs the state 1.5 million lire (\$3,000) in social security and pension funds, in a country where workers can legally retire after 5,000 work days, the equivalent of 25 working years.

"We do not support the return policy," the minister said, "but we cannot close our eyes to the fact they are returning. We must take steps for the future of these people. But we must ask the Germans to divide this responsibility."

For a start, Turkey wants the

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Trade Finance: It takes a lot more than just finance

Foreign trade finance in a country where foreign trade is growing at a rapid pace demands a lot more than the organization and management of conventional finance.

Iktisat Bankası meets the demands of this growth, being equipped with the most

important asset in modern international banking: Competent, experienced and imaginative people; people with a unique way of finding out new alternatives and working out desired results.

This is why we are the most rapidly developing Turkish bank in trade finance.

NYSE Most Actives							
Vol.	High	Low	Last	Chg.	Per	Adv.	Disc.
Pegec 22924 21 17 19 20 1/2 +1/4							
Merlyn 12109 21 17 19 20 1/2 +1/4							
IBM 11829 129 127 127 127 +1/4							
AT&T 10769 125 125 125 125 +1/4							
Litho 10027 416 396 396 396 +1/4							
Globe 9793 256 246 246 246 +1/4							
Steele 9793 256 246 246 246 +1/4							
Block 9251 246 236 236 236 +1/4							
Nisent 9246 236 226 226 226 +1/4							
C&P 9246 236 226 226 226 +1/4							
Amico 8600 226 216 216 216 +1/4							
Bridge 8600 226 216 216 216 +1/4							
FordM 8600 226 216 216 216 +1/4							

Dow Jones Averages							
Open	High	Low	Last	Chg.	Per	Adv.	Disc.
Index 1326.44 1331.00 1312.05 1316.42 - 10.26							
Trans 1326.44 1331.00 1312.05 1316.42 - 10.26							
Util 1326.44 1331.00 1312.05 1316.42 - 10.26							
Comp 1326.44 1331.00 1312.05 1316.42 - 10.26							

NYSE Index							
High	Low	Close	Chg.	Per	Adv.	Disc.	
Composite 110.74 107.75 109.07 - 0.25							
Industrials 109.78 108.07 108.54 - 0.29							
Utilities 110.24 111.16 111.20 - 0.02							

Friday's NYSE Closing

Vol. of 4 P.M. 59,638,000
Prev. 4 P.M. vol. 57,170,000
Prev. consolidated class 13,645,360

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

AMEX Dailies							
Class	Prev.	Close	Chg.	Per	Adv.	Disc.	
Advanced 128	128	128	0	0.00			
Unchanged 128	128	128	0	0.00			
Total 128	128	128	0	0.00			
New Highs 128	128	128	0	0.00			
New Lows 128	128	128	0	0.00			
Volume up 128	128	128	0	0.00			
Volume down 128	128	128	0	0.00			

NASDAQ Index							
Vol.	High	Low	Close	Chg.	Per	Adv.	Disc.
Composite 267.52 264.10 263.21 264.00 + 0.48							
Industrial 264.23 261.75 260.50 261.25 + 0.52							
Transportation 272.67 271.21 270.50 271.25 + 0.55							
Utilities 261.26 259.75 258.50 259.25 + 0.50							
Finance 261.26 259.75 258.50 259.25 + 0.50							
Commerce 257.33 255.75 254.50 255.25 + 0.50							

AMEX Most Actives							
Vol.	High	Low	Close	Chg.	Per	Adv.	Disc.
BAT in Woman 1227.22 1225.00 1223.25 1224.00 + 0.78							
Miner 1227.22 1225.00 1223.25 1224.00 + 0.78							
AMCI 1227.22 1225.00 1223.25 1224.00 + 0.78							
Per Lin 1227.22 1225.00 1223.25 1224.00 + 0.78							
Per Lin 1227.22 1225.00 1223.25 1224.00 + 0.78							

AMEX Sales							
Vol.	High	Low	Close	Chg.	Per	Adv.	Disc.
4 P.M. volumes 7,240,000							
Prev. 4 P.M. volume 6,800,000							
Prev. cons. volume 7,240,000							

AMEX Stock Index							
High	Low	Close	Chg.	Per	Adv.	Disc.	
227.24 227.59 228.14 - 1.15							

Dow Slides 10.86 on Rate Fears

The Associated Press

NEW YORK.—The stock market sustained its biggest loss since the start of its late-spring rally as interest rates jumped in the credit markets Friday.

The Dow Jones average of 30 industrials, which hit record highs Wednesday and Thursday, dropped back 10.86 to 1,316.42 to finish the week with a net gain of 1.01 points.

The decline was the biggest for the average since it tumbled 16.01 points on May 1.

Before the market opened, the government reported that the civilian unemployment rate held steady at 7.3 percent in May.

The Labor Department's figures showed gains in such things as total jobs, nonfarm payrolls and the average factory workweek. Analysis said this painted a picture of a stronger economy than many observers had expected.

Auto stocks were slightly weaker. General Motors eased 2% to 74% after moving up 2% to 74% Thursday following news the company was buying Hughes Aircraft. Ford was off 4% to 45%. Chrysler lost 1% to 36%. Merrill Lynch was off 2% to 32%.

Gulf & Western climbed 2% to 41 amid rumors that the company might be planning to sell some or all of its consumer-products operations.

The daily tally on the Big Board showed about five issues falling in price for every three that gained ground. The exchange's composite index of all its listed common stocks dropped 7.2 to 109.97.

Nationwide turnover in NYSE-listed issues, including trades in those stocks on regional exchanges and in the over-the-counter market, totaled 121.03 million shares.

Standard & Poor's 500-stock composite index was down 1.38 at 189.68.

The NASDAQ composite index for the over-the-counter market lost 0.82 to 291.03. At the American Stock Exchange, the market value index closed at 228.14, down 1.15.

Trans World Airlines rose 1/2 to 194% and Resorts International class A shares, traded on the American Stock Exchange, dropped 1/2 to 43%. There were reports that Resorts was preparing a \$750-million offer to acquire TWA.

Some brokers argue that the rally in stocks need not stall if interest rates stop falling. But declining rates have been widely described as the main force pushing up the market in recent weeks.

Trans World Airlines rose 1/2 to 194% and

Resorts International class A shares, traded on the American Stock Exchange, dropped 1/2 to 43%. There were reports that Resorts was preparing a \$750-million offer to acquire TWA.

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Resorts International class A shares, traded on the American Stock Exchange, dropped 1/2 to 43%.

BUSINESS ROUNDUP

Resorts International Seen Bidding for TWA

By John Crudele
New York Times Service

NEW YORK — Resorts International Inc., the hotel and casino operator, has joined the bidding for Trans World Airlines, according to Wall Street sources.

The sources, who asked not to be named, said Thursday that Resorts was considered one of the prime candidates to acquire TWA, which is trying to avoid a takeover by Carl C. Icahn, a New York financier.

Texas Air Corp., which owns Continental Airlines, is also believed to be very interested in TWA, the sources said. But Eastern Airlines is said to have cooled to the possibility of linking its fleet with that of TWA. Another option under study is a management-led leveraged buyout.

But the sources said all options might be put on hold temporarily, especially if TWA can continue to stymie Mr. Icahn's takeover efforts in the courts. Thursday, the Missouri Supreme Court denied a request by Mr. Icahn to lift a lower court order that temporarily bars him from buying more TWA stock.

Word of Resorts' interest in TWA apparently leaked out to Wall Street Thursday. One rumor was that Resorts, an operator of casinos in Atlantic City and the Bahamas, was willing to pay in the low \$200s a share for the airline.

TWA shares closed at \$19.50 Friday on the New York Stock Exchange, up 50 cents from Thursday.

Traders said it was significant that the airline's stock was hovering above the \$18 a share being offered by Mr. Icahn. This means that professionals think there is a real possibility of a new bidder emerging, they said.

TWA, a domestic and international carrier, was put up for sale last month in an effort by its management to fight off a takeover bid from Mr. Icahn, who owns 32.77 percent of TWA's stock. He recently threatened to withdraw his 18.4-share bid.

Resorts International officials did not return telephone calls to the company's headquarters in North

Miami, Florida. Officials at TWA in New York declined to comment.

In addition to putting the airline up for sale, TWA officials have been trying to block the accumulation of more of its stock by Mr. Icahn.

TWA has also asked the Department of Transportation to halt Mr. Icahn's moves until an investigation can be conducted regarding his fitness to run an airline.

Eastern Bid Unlikely

Eastern Air Lines said it is now "unlikely" to pursue a merger with TWA because "the problems and complexities involved appear to outweigh the possible benefits of any such combination," Reuters reported Friday from Miami.

Soviets Seek New Oil Finds

(Continued from Page 13)

drink maker uses some blend of the ingredient.

While Sweet 'n Low's volume share of the market has remained stable, Mr. Eisenstadt acknowledged its shrinking market share. In the second quarter of 1983, he said, his company captured 72.8 percent of the artificial sweetener market. By the spring quarter of 1984, its share had been cut to 66.2 percent. Aspartame had 21.6 percent of the market in the spring quarter of 1984, and other competitors had 12.2 percent.

But industry analysts do not share the Eisenstadt's faith in saccharin's hold on the marketplace. "Most growth in the industrial market is aspartame," said Arnold Snider of Kidder, Peabody & Co. "My guess is the bulk saccharin market is small."

According to Paul A. Brooke, an analyst at Morgan Stanley & Co., aspartame's growth in the past three years has been astronomical. In 1982, G.D. Seear's revenue from aspartame was \$74 million. By 1984, he said, revenue from aspartame totaled \$855 million.

"The major catalyst was soft-drink use," Mr. Brooke said. "When Coke and Pepsi do something, everyone else does it too." He said that saccharin was barely penetrating the soft-drink market sector.

The Eisenstadt themselves have been looking beyond saccharin. They describe their product diversification as insurance, or what Marvin Eisenstadt calls a "belt-and-suspenders" theory of business. The new products, Nu-Salt, Butter Buds and Sweet 'n Low

soda, will continue to equate Cumberland with diet products.

Butter Buds, a powdered magazine and butter substitute made of restructured butterfat and corn syrup, introduced five years ago, has increased Cumberland's sales by 25 percent. The Eisenstadt introduced Nu-Salt 10 years ago, but Mr. Eisenstadt acknowledged that the artificial salt market was very small, because no one had developed a product that tastes like salt. Nu-Salt accounts for 2 percent of Cumberland's revenue.

Cumberland brought both products first to hospitals and dieticians. Now, they are beginning to show up on supermarket shelves.

Cumberland also recently approached the soft-drink industry.

In 1984, Cumberland licensed to MCI Beverages Inc. the right to market a Sweet 'n Low-broad soda.

"The more we can equate our brand name with diet, the stronger we are," Mr. Eisenstadt said.

He leaves the actual marketing of Sweet 'n Low to MCI Beverages.

"Our expertise is tabletop sweeteners," he said. "We're limited in what we can do. We've given up our supermodel shelves."

Meanwhile, by completing the merger before Monday, Royal Dutch/Shell will be able to save \$35 million in dividend payments.

Shell Oil had earlier declared a regular quarterly dividend of 50 cents a share but said it would be paid to shares of record as of next Monday.

ADVERTISMENT

Dutch/Shell Group Claims Victory in Bid for Shell Oil

The Associated Press

NEW YORK — The Royal Dutch/Shell Group said that by the close of business Friday, Shell Oil Co. would become a wholly owned subsidiary, completing a \$5.7-billion acquisition bid that began over a year ago.

A certificate of merger, effective at the end of the business day, was filed Friday with the secretary of state of Delaware, where Shell Oil is incorporated, merging Shell into SPN Holdings Inc., another Royal Dutch/Shell subsidiary.

Royal Dutch/Shell already owned 69.4 percent of Shell's stock when it offered to buy the remaining shares on Jan. 24, 1984 for \$55 a share. It later raised its bid to \$58 a share, and then agreed to pay an additional \$2 a share to settle claims by some minority shareholders that the offer was unfairly low.

Royal Dutch/Shell now owns 94.6 percent of Shell's stock, and once the merger is complete will, under Delaware law, gain complete control without having to seek the consent of the holders of 16.7 million minority shares.

It said that since the merger takes effect, each share outstanding will be converted instead into a right to receive the same payment from Royal Dutch/Shell.

Beneficial said the management of Western Auto, a merchandiser of automotive parts, would participate in the agreement, but it did not elaborate. Beneficial, a diversified financial holding company, said it had decided to concentrate resources on its consumer financial service operations.

Wesray Capital, a private investment banking firm set up in 1981 by William E. Simon, a former U.S. Treasury Secretary, has acquired 14 companies with combined revenues in excess of \$6 billion in 1984.

Last month, it agreed to acquire Wilson Sporting Goods from Pep's Co. Inc. for more than \$150 million a year after the merger.

Mitsubishi Electric Plans Georgia Plant

Reuters

TOKYO — Mitsubishi Electric Corp. plans to set up a plant in the United States to produce car telephones, color televisions and computer displays. Moriya Shiki, the company's president-elect, said Friday.

He said the company is about to complete the purchase of a site in Atlanta for the new plant, which will be wholly owned by Mitsubishi Electric America Inc., the company's U.S. subsidiary.

Beneficial to Sell Western Auto

Reuters

WILMINGTON, Delaware — Beneficial Corp. said Friday that it had signed a letter of intent to sell its Western Auto Supply Co. subsidiary to Wesray Capital Corp. for about \$300 million.

Beneficial said the management of Western Auto, a merchandiser of automotive parts, would participate in the agreement, but it did not elaborate. Beneficial, a diversified financial holding company, said it had decided to concentrate resources on its consumer financial service operations.

Meanwhile, by completing the merger before Monday, Royal Dutch/Shell will be able to save \$35 million in dividend payments.

Shell Oil had earlier declared a regular quarterly dividend of 50 cents a share but said it would be paid to shares of record as of next Monday.

COMPANY NOTES

Bunzl PLC said it had raised its bid for Brammer PLC to £134.7 million (\$171 million), or 450 pence per ordinary share, on a share-for-share basis. Bunzl said its offer would be withdrawn if Brammer's proposed acquisition of Energy Services & Electronics PLC proceeds. Brammer shares rose 50 pence to 408 pence, after the announcement.

English China Clays PLC said it plans to raise about £86.3 million through a 1-for-4 rights issue of 40.6 million new ordinary shares at 220 pence each. The company said proceeds would be used to reduce borrowing.

Fiat SpA said its Fiat Trattori unit to list its shares on the Tokyo Stock Exchange, Daiba Securities Co. said as lead underwriter. The shares would be listed under the name of a new holding company, Philip Morris Co., he said.

Toronto-Dominion Bank said it had agreed to acquire Euro-Pacific Finance Corp., an Australian merchant bank with assets of \$398.5 million. Terms were not disclosed.

United Airlines said it will add eight roundtrip flights daily between San Francisco and Los Angeles, Seattle and Portland, Oregon on July 1 as it continues to rebuild its strike-impaired route structure. The carrier said it would be operating 237 flights daily.

Metal Box Singapore Ltd. said it proposed a 1-for-4 bonus issue on its existing issued capital of 33.51 million shares. The new shares would not qualify for the final dividend of 12 percent declared for the year ended March 31, it said.

Mobil Corp. said its Mobil Chemical BV unit had agreed to sell its marine-coatings plant in the Netherlands to a unit of Grow Group Inc. for an undisclosed price. Separately, Mobil Chemical Co. said it sold its coatings business in Mexico to Regio Empresas SA for about \$5 million.

Philip Morris Inc. will apply this month to list its shares on the Tokyo Stock Exchange, Daiba Securities Co. said as lead underwriter. The shares would be listed under the name of a new holding company, Philip Morris Co., he said.

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Price	Ask	Now	Feb
310	135.00/130.00	130.00/129.50	—
320	120.00/119.00	119.00/118.50	120.00/119.00
330	77.50/72.50	73.50/72.00	72.50/71.00
340	120.00/119.00	120.00/119.00	120.00/119.00
350	120.00/119.00	120.00/119.00	120.00/119.00
360	175.00/170.00	170.00/169.00	170.00/170.00
370	175.00/170.00	170.00/169.00	170.00/170.00
380	175.00/170.00	170.00/169.00	170.00/170.00

Gold Options (prices in \$/oz.)

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INTERNATIONAL POSITIONS

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This position will report directly to the Corporate V.P. Finance and will oversee all aspects of the control function, business analysis, finance and treasury in all our 24 operations in 7 different countries. The individual who joins us will also be actively involved in our international acquisition program and planning activity.

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La réussite dans ce poste particulièrement formateur lui ouvrira de larges perspectives d'évolution de carrière. Le candidat retenu bénéficiera d'une formation préalable de 6 semaines aux USA.

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75116 Paris
etap

Floating Rate Notes

June 7

Dollar

Issuer/Mkt.	Coupon Next	Rate	Bid	Ask
Hill Samoil '84	1/24	12.48	12.48	12.50
Allied Irish '83	7/24	9.25	9.25	9.25
AIr France '83	7/24	10.85	10.85	10.85
AIr France '84	7/24	11.75	11.75	11.75
AIr France '85	7/24	12.75	12.75	12.75
AIr France '86	7/24	13.75	13.75	13.75
AIr France '87	7/24	14.75	14.75	14.75
AIr France '88	7/24	15.75	15.75	15.75
AIr France '89	7/24	16.75	16.75	16.75
AIr France '90	7/24	17.75	17.75	17.75
AIr France '91	7/24	18.75	18.75	18.75
AIr France '92	7/24	19.75	19.75	19.75
AIr France '93	7/24	20.75	20.75	20.75
AIr France '94	7/24	21.75	21.75	21.75
AIr France '95	7/24	22.75	22.75	22.75
AIr France '96	7/24	23.75	23.75	23.75
AIr France '97	7/24	24.75	24.75	24.75
AIr France '98	7/24	25.75	25.75	25.75
AIr France '99	7/24	26.75	26.75	26.75
AI				

Friday's
AMEX
Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere
Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk Hrs	52 Wk Lns	Close Quot.	Chg.
A									
714 1994	376	ADM B			27	26	516	5	516 +
824	824	AL Lab	.39	1.2	15	20	204	10	204 +
226	12	AMC Int'l	.12	1.2	15	11	194	10	194 +
526	246	AM Int'l				413	557	85	85 +
55	59	ATT Fd	5.07	5.9		51	557	85	85 +
6	216	Acme U				11	3	3	3 +
184	184	Acme U			32	32	19	19	19 +
576	3	Acme U				33	19	10	10 +
341	3	Adm'n R's				141	141	111	111 +
241	116	Adm'n R's				2	2	2	2 +
22	179	Adru'l	.14	1.5	12	740	494	494	494 +
846	44	Adobe				15	151	104	104 +
52	28	Aeron				24	24	12	12 +
394	34	AeroExp				59	494	494	494 +
122	94	AeroExp				15	151	104	104 +
444	94	AeroExp				24	24	12	12 +
101	1	Alacran				59	924	924	924 +
976	624	Alimin' n			5	924	924	924	924 +
872	572	Alimin' n			37	19	724	724	724 +
171	572	Alimin' n				724	724	724	724 +
26	12	Alph'n				10	13	12	12 +
206	11	Alph'n				3052	244	244	244 +
184	916	Alph'n				22	244	244	244 +
154	916	Alph'n				44	177	177	177 +
112	44	Almedico	.08	1.4	12	61	54	54	54 +
792	44	Almedico	.15	1.2	17	119	124	124	124 +
40	124	AmCap				97	396	396	396 +
9	54	AmCap				13	15802	524	524 +
346	34	AmCap				71	7102	524	524 +
1214	8	AmCap				11	509	524	524 +
1936	4	AmCap				12	524	524	524 +
1872	1266	AmCap				12	1574	1574	1574 +
296	92	AmCap				12	1574	1574	1574 +
912	9	AMCap				12	1574	1574	1574 +
422	532	AmPef	.22	5.4	27	1695	246	246	246 +
326	36	AmPef				59	58	58	58 +
11	11	AmPef				125	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef	.52	3.4	23	12	148	148	148 +
296	52	AmPef	.52	3.9	29	1695	246	246	246 +
912	3	AmPef				12	148	148	148 +
532	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef				12	148	148	148 +
296	52	AmPef				12	148	148	148 +
912	3	AmPef				12	148	148	148 +
422	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef				12	148	148	148 +
296	52	AmPef				12	148	148	148 +
912	3	AmPef				12	148	148	148 +
422	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef				12	148	148	148 +
296	52	AmPef				12	148	148	148 +
912	3	AmPef				12	148	148	148 +
422	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef				12	148	148	148 +
296	52	AmPef				12	148	148	148 +
912	3	AmPef				12	148	148	148 +
422	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef				12	148	148	148 +
296	52	AmPef				12	148	148	148 +
912	3	AmPef				12	148	148	148 +
422	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef				12	148	148	148 +
296	52	AmPef				12	148	148	148 +
912	3	AmPef				12	148	148	148 +
422	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef				12	148	148	148 +
296	52	AmPef				12	148	148	148 +
912	3	AmPef				12	148	148	148 +
422	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef				12	148	148	148 +
296	52	AmPef				12	148	148	148 +
912	3	AmPef				12	148	148	148 +
422	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef				12	148	148	148 +
296	52	AmPef				12	148	148	148 +
912	3	AmPef				12	148	148	148 +
422	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef				12	148	148	148 +
296	52	AmPef				12	148	148	148 +
912	3	AmPef				12	148	148	148 +
422	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef				12	148	148	148 +
296	52	AmPef				12	148	148	148 +
912	3	AmPef				12	148	148	148 +
422	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef				12	148	148	148 +
296	52	AmPef				12	148	148	148 +
912	3	AmPef				12	148	148	148 +
422	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12	148	148	148 +
1872	52	AmPef				12	148	148	148 +
296	52	AmPef				12	148	148	148 +
912	3	AmPef				12	148	148	148 +
422	532	AmPef				12	148	148	148 +
326	36	AmPef				12	148	148	148 +
11	11	AmPef				12	148	148	148 +
894	246	AmPef				12	148	148	148 +
1214	44	AmPef				12	148	148	148 +
1936	1	AmPef				12			

A		B		C		D		E		F		G		H		I		J		K		L		M		N		O		P		Q		R		S		T		U		V		W		X		Y		Z																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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Over-the-Counter

NASDAQ National Market Price

		Sales in 100s			Net High Low 3 P.M. Chg/c		
		A			AllFin AllRes AllRes AllVid AllWdc AllTrT AllMed AllSoy AllHmtz AutoCo Aurton Avacore AvamGr Avanleis Avatar AvantGe Avion		
ASLM Ed		11 616	416	416	—	—	
ADC Ti		31 173	171	174	—	58	
AEL s		12 241	224	242	—	58	
AFG		20 211	20	202	—	20	
ASK		359 14	134	134	—	—	
AST		386 14	149	148	—	—	
AT&T E		602 11	105	104	—	—	
Atmptz		506 23	221	223	—	—	
Acodin	20	2 6	50	72	72	—	
AcetCm		38	21	21	—	—	
AcetRay	20	9	63	214	214	—	
AcetS		4	152	152	154	—	
ACMAT		4 424	154	154	—	—	
AcmeG		96	1	1	—	—	
Acman		193 21	20	20	—	20	
Acmet B		700	34	34	—	—	
AdacCo		27	77	74	71	—	
Adoles		16 28	28	28	—	—	
Adwan L	70	2 5	51	22	214	—	
Adia		333	92	82	82	—	
AdvCir		111	11	11	—	—	
Adven E		29	1	1	—	—	
AdverG		42	34	34	37	—	
AdverM		42	11	11	—	—	
AdTel		50	64	54	54	—	
AdverP		123	11	11	—	—	
AdverS		63	214	214	216	—	
AdverS		7	179	179	174	—	
AdverS		317	17	17	—	—	
AdverS		16 329	31	32	—	—	
AdverS		68	124	124	124	—	
AdverS		43	59	59	59	—	
AdverS		79	16	16	16	—	
AdverS		66 269	269	269	268	—	
AdverS		146 354	354	354	354	—	
AdverS		282 204	204	204	204	—	
AdverS		126 44	44	44	44	—	
AdverS		102 61	61	61	61	—	
AdverS		300	5	261	261	—	
AdverS		256	4	42	42	—	
AdverS		40	2	49	199	199	—
AdverS		34	17	43	23	23	—
AdverS		1 000	4	12	214	214	—
AdverS		137	54	54	54	—	
AdverS		10 179	179	179	174	—	
AdverS		72	67	67	67	—	
AdverS		2 6	84	84	84	—	
AdverS		22	8	79	79	—	
AdverS		529	104	104	104	—	
AdverS		103 15	15	15	15	—	
AdverS		673 105	105	105	105	—	
AdverS		29 111	111	111	111	—	
AdverS		2 61	84	84	84	—	
AdverS		872 12	12	12	12	—	
AdverS		878 125	125	125	125	—	
AdverS		42 204	204	204	204	—	
AdverS		47 16	16	16	16	—	
AdverS		5 81	84	84	84	—	
AdverS		165 257	257	257	256	—	
AdverS		5 124	124	124	124	—	
AdverS		85 374	364	364	364	—	
AdverS		40 12	12	12	12	—	
AdverS		4 6	204	204	204	—	
AdverS		47 16	15	15	15	—	
AdverS		1 13	15	14	14	—	
AdverS		873 105	105	105	105	—	
AdverS		29 111	111	111	111	—	
AdverS		2 61	84	84	84	—	
AdverS		872 12	12	12	12	—	
AdverS		878 125	125	125	125	—	
AdverS		42 204	204	204	204	—	
AdverS		47 16	16	16	16	—	
AdverS		5 81	84	84	84	—	
AdverS		165 257	257	257	256	—	
AdverS		5 124	124	124	124	—	
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AdverS		165 257	257	257	256	—	
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AdverS		873 105	105	105	105	—	
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AdverS		872 12	12	12	12	—	
AdverS		878 125	125	125	125	—	
AdverS		42 204	204	204	204	—	
AdverS		47 16	15	15	15	—	
AdverS		5 81	84	84	84	—	
AdverS		165 257	257	257	256	—	
AdverS		5 124	124	124	124	—	
AdverS		85 374	364	364	364	—	
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AdverS		4 6	204	204	204	—	
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AdverS		1 13	15	14	14	—	
AdverS		873 105	105	105	105	—	
AdverS		29 111	111	111	111	—	
AdverS		2 61	84	84	84	—	
AdverS		872 12	12	12	12	—	
AdverS		878 125	125	125	125	—	
AdverS		42 204	204	204	204	—	
AdverS		47 16	15	15	15	—	
AdverS		5 81	84	84	84	—	
AdverS		165 257	257	257	256	—	
AdverS		5 124	124	124	124	—	
AdverS		85 374	364	364	364	—	
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AdverS		4 6	204	204	204	—	
AdverS		47 16	15	15	15	—	
AdverS		1 13	15	14	14	—	
AdverS		873 105	105	105	105	—	
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AdverS		2 61	84	84	84	—	
AdverS		872 12	12	12	12	—	
AdverS		878 125	125	125	125	—	
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AdverS		47 16	15	15	15	—	
AdverS		5 81	84	84	84	—	
AdverS		165 257	257	257	256	—	
AdverS		5 124	124	124	124	—	
AdverS		85 374	364	364	364	—	
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AdverS		4 6	204	204	204	—	
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AdverS		1 13	15	14	14	—	
AdverS		873 105	105	105	105	—	
AdverS		29 111	111	111	111	—	
AdverS		2 61	84	84	84	—	
AdverS		872 12	12	12	12	—	
AdverS		878 125	125	125	125	—	
AdverS		42 204	204	204	204	—	
AdverS		47 16	15	15	15	—	
AdverS		5 81	84	84	84	—	
AdverS		165 257	257	257	256	—	
AdverS		5 124	124	124	124	—	
AdverS		85 374	364	364	364	—	
AdverS		40 12	12	12	12	—	
AdverS		4 6	204	204	204	—	
AdverS		47 16	15	15	15	—	
AdverS		1 13	15	14	14	—	
AdverS		873 105	105	105	105	—	
AdverS		29 111	111	111	111	—	
AdverS		2 61	84	84	84	—	
AdverS		872 12	12	12	12	—	
AdverS		878 125	125	125	125	—	
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AdverS		47 16	15	15	15	—	
AdverS		5 81	84	84	84	—	
AdverS		165 257	257	257	256	—	
AdverS		5 124	124	124	124	—	
AdverS		85 374	364	364	364	—	
AdverS		40 12	12	12	12	—	
AdverS		4 6	204	204	204	—	
AdverS		47 16	15	15	15	—	
AdverS		1 13	15	14	14	—	
AdverS		873 105	105	105	105	—	
AdverS		29 111	111	111	111	—	
AdverS		2 61	84	84	84	—	
AdverS		872 12	12	12	12	—	
AdverS		878 125	125	125	125	—	
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AdverS		47 16	15	15	15	—	
AdverS		5 81	84	84	84	—	
AdverS		165 257	257	257	256	—	
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AdverS		85 374	364	364	364	—	
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AdverS		873 105	105	105	105	—	
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AdverS		2 61	84	84	84	—	
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AdverS		42 204	204	204	204	—	
AdverS		47 16	15	15	15	—	
AdverS		5 81	84	84	84	—	
AdverS		165 257	257	257	256	—	
AdverS		5 124	124	124	124	—	
AdverS		85 374	364	364	364	—	
AdverS		40 12	12	12	12	—	
AdverS		4 6	204	204	204	—	
AdverS		47 16	15	15	15	—	
AdverS		1 13	15	14	14	—	
AdverS		873 105	105	105	105	—	
AdverS							

مکتبہ امنیاصل

(Continued on Page 17)

